

**GAMBLING: THE HOUSE
WINS, AMERICA LOSES**

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**VEEPSTAKES! THE
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THE AMERICAN PROSPECT

LIBERAL INTELLIGENCE

MARCH 2008

The Dems' Choice



The Manager or the Visionary?

BY EZRA KLEIN

Which One Can Fix the Economy?

BY ROBERT KUTTNER

MOBILIZING MILLENNIALS: A SPECIAL REPORT

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THE AMERICAN PROSPECT

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"All over the world... young men are coming to power—men who are not bound by the traditions of the past—men who are not blinded by the old fears and hates and rivalries."

— JOHN F. KENNEDY, ACCEPTING THE 1960 DEMOCRATIC NOMINATION

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Bringing the Race to Closure

REMEMBER WHEN IT WAS OBVIOUS THAT THE DEMOCRATIC Party would choose a presidential nominee early this year because of the front-loaded primary schedule? Like a lot else that was oh-so-obvious about this year's election, things aren't working out that way (not as of the

week after Super Tuesday). While John McCain has nearly locked up the Republican nomination, Barack Obama and Hillary Clinton may continue battling for weeks, possibly for months, and perhaps all the way to the convention in Denver, intensifying the bitterness and disaffection between the two camps. What's more, the nomination may hinge on procedural votes whose outcome seems unfair to the losing side.

Is there anything that can be done to prevent the race from stretching into late summer and turning into an ugly donnybrook in Denver? In fact, if the primaries are not decisive, some steps could be taken to bring the contest to a fair resolution before the convention.

The Democratic Party faces two separate issues. The first concerns the seating of the 366 delegates from Michigan and Florida, currently disqualified because their states violated party rules by advancing their primaries to January.

The second concerns the long hiatus between the last primary, slated for the beginning of June in Puerto Rico (amazingly, the date is in dispute), and the Democratic Convention, which begins Aug. 25. If the primaries end without a verdict, the Democrats could go without a nominee for another three months.

Lopsided victories in coming weeks by Obama or Clinton—most likely by Obama—would render both these issues moot, but until early February the race was astonishingly close. On Super Tues-

day, Clinton received 50.2 percent of the total vote nationally, while Obama received 49.8 percent, not counting ballots for candidates who had dropped out. The next day, the Obama campaign accidentally released an internal analysis projecting that the two candidates would end the primary season in virtually a dead heat (though if the release weren't really accidental, it may have been aimed at lowering expectations).

The Democratic Party's proportional-representation rules for delegate selection are part of the problem. Ironically, though intended to be democratic, the rules will likely throw the decision about the nominee to the 796 unpledged superdelegates, nearly one-fifth of the total.

But what about the 366 from Michigan and Florida? After March 1, when the Democratic National Committee refuses to certify delegates from those states, the state parties will probably petition the DNC's Rules and Bylaws Committee for a reconsideration of the penalties. They may ask, first, to have their superdelegates certified (on the grounds that the party's charter says that superdelegates "shall be" seated, without qualification) and, second, to reduce the penalty on pledged delegates from 100 percent to 50 percent (as the rules origi-

nally specified). It could be in response to these petitions that a deal emerges from negotiations among the DNC, the state parties, and the two campaigns—with the outcome possibly involving a round of caucuses in early June to choose some share of the two states' delegates.

The two cases aren't identical. Because the Michigan ballot didn't include Obama (or Edwards, for that matter), there's no legitimate way to count the results in Michigan. But in Florida, all the candidates were on the ballot, so it's conceivable that in a negotiated deal some percentage of Florida's delegates could be based on the primary votes. Since caucuses seem to benefit Obama because of his support among activists and upscale Democrats, Clinton might go along with new caucuses in the two disqualified states only if she and Obama could split the difference in Florida.

To deal with the nearly three-month hiatus after early June, the DNC could create the equivalent of an early mail-in ballot for superdelegates with a deadline, say, one week after the last primary. Such a ballot could settle the nomination because all the delegates chosen in primaries and caucuses are pledged for the first ballot at the convention.

Alternatively, the DNC could convene a televised, public meeting of the superdelegates in early June and call for a vote. The advantage of such a meeting is that, unlike a mail-in ballot, it would allow for an open and public debate and preempt worries about conspiratorial manipulation of the result.

Admittedly, there is no precedent for any of these proposals. But if nothing is done, John McCain will be

the Republican nominee for six months, from February to August, while Clinton and Obama are still fighting. Unless the party works out some way to fix the mess its rules and calendar have created, the Democrats could well be on the way toward defeating themselves this year. **TAP**

— PAUL STARR

***McCain could
be the GOP
nominee for six
months while the
Democrats are
still fighting.***



No Compromising on Climate Change

IN HIS OTHERWISE ASTUTE survey of the political landscape around climate change ["This Will Mean the World to Us," January/February 2008], Chris Mooney takes a puzzling tone toward the activists who have pushed the issue forward in the last few years. He scolds them for asking too much. Urges them to be "pragmatic."

I wonder how many energy-industry lobbyists or right-wing think tankers are hearing the same thing. Only progressives suffer from the peculiar compulsion to compromise on their values before the fight has even begun in earnest.

On the question of auctioning permits under a cap-and-trade system, core values are at stake. If pollution permits are auctioned, the revenue can be used to offset the impact on middle- and working-class Americans. If the permits are given away to large polluters, the policy will amount to a large, regressive tax.

Politicians frequently must compromise. That is their job. For those of us who understand the gravity of the climate crisis, it is our job to push, and keep pushing.

DAVID ROBERTS
Staff Writer, *Grist.org*
Seattle, WA

Democratizing Schools

RICHARD ROTHSTEIN'S analysis of the No Child Left Behind program's enormous damage to American public schools displays his usual insight and comprehension of schooling issues ["Leaving 'No Child Left Behind' Behind," January/February 2008].

His agenda for "what the next president can do," however, lacks vision and ambition.

A truly progressive president could help to educate Americans that most of the problems in our public schools stem from the fact that the schools embody an industrial 19th- and early 20th-century paradigm—a structure and culture intended to produce classist and racist outcomes. A progressive president could support progressive educators, most of whom believe in an educational paradigm that focuses on learning, not sorting, and values a diverse ecology of learners and learning. If we truly want our democracy to work, we need to create profoundly democratic schools.

DAVID MARSHAK
Bellingham, WA

Rothstein responds: More democratic schools is a great idea, but calling on the president to "support progressive educators" or "educate Americans" about democratic education doesn't get us very far. No progressive educator I have ever met wants the federal government to try to force all schools to be like his or hers. What progressive education needs most is for the government, the federal government especially, to cease

its efforts to standardize and micromanage schooling.

A Better Way for Our Kids

THE *PROSPECT*'S DECEMBER 2007 special report, "Life Chances: The Case for Early Investment in Our Kids," is a thoughtful examination of our nation's desperate need for a comprehensive early childhood education system. The American Federation of Teachers for years has advocated for such affordable, accessible, and high-quality programs, which are the most effective way to shrink the achievement gap.

Two of the biggest obstacles to building high-quality programs are the abysmal wages of most early child-

hood educators and the pervasive lack of benefits, both of which contribute to constant staff turnover.

A system of high-quality early childhood education and care cannot be built on the backs of underpaid staff. A popular refrain in the early childhood education community sums it up best: Parents can't afford to pay. Workers can't afford to stay. There's got to be a better way.

EDWARD J. MCELROY
President, American
Federation of Teachers
Washington, D.C.

Letters to the editor should be sent to letters@prospect.org or mailed to The Editors, The American Prospect, 2000 L St., NW, Suite 717, Washington, D.C. 20036.

FROM THE EXECUTIVE EDITOR

ONE OF THE TRICKIER ASPECTS OF EDITING A MONTHLY magazine is dealing with a rapidly evolving topic, such as a presidential election, in a timely fashion. (To keep up with the hourly back-and-forth, visit our Web site, www.prospect.org.) Imagine my surprise, then, when Sens. Hillary Clinton and Barack Obama apparently sensed my apprehension and each decided to win just enough delegates (and no more) to keep their race going well into the spring, if not the summer. So it is that we are able to bring you Ezra Klein's essay on the policy similarities and political-existential differences between the two candidates, as well as Bob Kuttner's article on the kind of program the eventual Democratic nominee will need to reverse America's economic decline.

Elsewhere in this issue, David Bacon uncovers a story with major political implications for the Deep South: In Mississippi, black political elites have taken up the cause of Latino immigrants in hopes of ousting the state's reactionary political establishment. Barbara Dreyfuss and Tara McKelvey report on the nationwide rise of casino gambling and conclude that while states may view the new revenue as a financial panacea, the actual costs, both fiscal and human, that gambling incurs far outweigh the benefits. And Eric Alterman explains the inexplicable—what Bill Kristol is doing on *The New York Times* op-ed page. Electoral choices contextualized and journalistic choices eviscerated, in this month's *Prospect*. — HAROLD MEYERSON

Up Front



CAST INTO THE DARKNESS

IN THE ANNALS OF THE CONSERVATIVE POLITICAL ACTION Conference, which has been convened annually since 1973, the 2008 meeting in Washington's Omni Shoreham Hotel will likely be remembered by participants as the one that, all things considered, probably should never have been convened at all. In past years, attendees reveled in their own power. They were the center of the Republican universe, and if anyone questioned that, a quick glance at the podium—where such luminaries as Ronald Reagan (who'd addressed 12 conferences), Newt Gingrich, and, more recently, George W. Bush and Dick Cheney had all held forth—would dispel any doubt.

This year, though, it was more like conferees were attending, if not their own funeral, at least a rite of their displacement. Their own presidential standard bearer, Mitt Romney, came to tell them he was dropping out of the race. Their *bête noir*, John McCain, who'd had the temerity to blow them off altogether in 2007, came to claim the spoils of victory. Worse yet, he'd won that victory by mobilizing moderate Republicans and picking off just enough conservatives to win the nomination—something no Republican had done since Gerald Ford in 1976, and he was the goddamn incumbent. The whole, if unplanned, point of this year's CPAC was to tell conferees: You do not dominate the Republican Party, not this year, thank you very much, and no, you cannot get your registration fee refunded.

Like going on a pilgrimage to Rome only to have the pope tell you God is dead, this is no way to build morale.

PRESIDENTIAL POETRY

Atop the list of a rudimentary Google search for "2008 presidential campaign slogans" are a slew of tongue-in-cheek suggestions from bloggers on both sides of the aisle. These proposals are often glib, sometimes rude, and frequently hilarious. A highlight, from Doug Ross' blog, for Hillary Clinton: "Clinton '08 ... This time with pants."

Combing these fake catchphrases is certainly more interesting than parsing the candidates' actual slogans. It's as if, at the outset of the 2008 race, each campaign received the same—limited—Magnetic Poetry kit of words from which they could create a slogan. Imagine low-level staffers desperately combing through tiny magnetic



strips, hoping to arrive at the least-threatening combination of words like strength, change, and freedom. Thus, you get, "Change We Can Believe In" from Barack Obama and "Change Begins with Us" from Mitt

Romney. Or maybe it's the other way around.

Rudy Giuliani carried the Magnetic Poetry trend to its logical conclusion when he unveiled, "Tested. Ready. Now." Apparently even conjunctions scare voters, not to mention parallel structure.

The new wrinkle in campaign slogans is Barack Obama's "We are the ones we've been waiting for," which sounds like the chant of a self-fulfillment cult, particularly if everyone's been showing up late.

CONVENTIONAL SEX

Will actual business, for the first time in decades, be conducted at this year's political conventions? With the economy in decline, America's prostitutes are counting on it.

Sex and adult entertainment workers in Denver and Minneapolis are gearing up for the conventions, which they say bring a boom in business as more than 35,000 out-of-towners descend on the cities. It's nothing new; conventions have long brought stimulus (of the economic sort) to the towns that host them. During the GOP convention in New York in 2004, some sex workers offered special discounts.

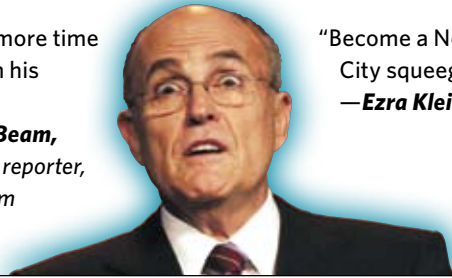
But Denver-area prostitutes are feeling a little down that they got stuck with the Democrats. "It would be a lot better for the sex workers if it was the Republican convention. We

**THE QUESTION:
WHAT SHOULD
RUDY GIULIANI DO
NOW THAT HE'S
DROPPED OUT OF THE
PRESIDENTIAL RACE?**

"Take his \$40 million
delegate to a Yankees game."
—**Michael Gehrke**,
research director, Democratic
National Committee

"Spend more time
not with his
family."
—**Chris Beam**,
political reporter,
Slate.com

"Become a New York
City squeegee man."
—**Ezra Klein**



get a lot more business," Carol Leigh, a San Francisco prostitute who regularly heads off to convention destinations, told the *Rocky Mountain News*. "I don't know if they're just frustrated because of the family values agenda."

Who says there's no difference between the two parties?

STATE AND SCHISM

A bitter fight has been raging between the Episcopal Diocese of Virginia (and, by extension, the national Episcopal Church) and 11 breakaway Virginia parishes, which have seceded from the national church to protest its acceptance of a gay bishop and its theological liberalism generally. A Fairfax County circuit court was considering the question of whether the secessionists had a right to claim ownership of the church properties when, lo and behold, Virginia's Republican Attorney General Robert McDonnell filed a petition to intervene on the secessionists' behalf, arguing that the case raised issues of property law solely. The Episcopal Diocese countered that his intervention would amount to the state taking sides in a clearly religious dispute. Virginians Thomas Jefferson and James Madison—oh, hell, you know what Jefferson and Madison would say.

PARODY by T. A. Frank

"Make it a hundred." —John McCain on possible U.S. length of stay (in years) in Iraq should he be elected president

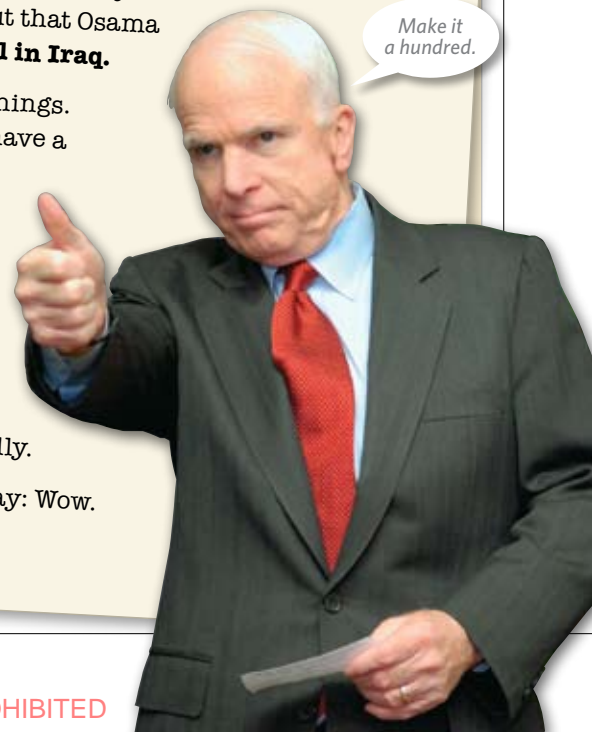
From: Rick Davis, campaign manager
To: John McCain



In response to some of the pushback you've received for your vision of a 100-year war in Iraq, we've compiled a list of reasons to back it up.

Your talking points:

- The original Hundred Years' War between England and France left the population of France smaller by two-thirds. This made France **roomier**. Plus, France is now the most-visited country in Europe. If we stay in Iraq for 100 more years, we could produce **another France**.
- Yes, it's true that England was left bankrupt. But that didn't stop it from launching right into the Wars of the Roses, which lasted about 30 years more. And consider this: No Wars of the Roses, no Tudors. No Tudors, no Elizabeth I. **And we all like Cate Blanchett**.
- Today, de-Baathification is a hot-button issue, and Iraqis cannot agree on what to do with former Baath officials. In 100 years, though, former Baath Party members will all be dead, meaning the issue will be **fully resolved**.
- Within 50 years, Osama bin Laden will probably die. Think of the satisfaction of pointing out that Osama bin Laden is long-dead but **we are still in Iraq**.
- Global warming could really change things. If we stay in Iraq for 100 years, we'll have a **front-row seat** to a very hot show.
- Soldiers who return for their 10th or 11th tour of duty may decide they actually quite like it. Some will also become **excellent Arabic speakers**.
- We're **getting along very well with the Kurds**, and we are just getting to know one another. They're really friendly.
- In 2103, we'll be able to look back and say: Wow. One hundred years. Cool. **Good job**.



Our Senate Problem

BY MARK SCHMITT

“THE MOST TROUBLESOME TASK OF A REFORM President,” wrote Henry Adams, is “bringing the Senate back to decency.” Adams was writing about the presidency of Ulysses S. Grant, which began with an Obamaesque promise of national reconciliation and

reform but was dragged into scandal by the senatorial kleptocrats of the day.

The Senate has changed since then—its members are elected now, though no less likely to be millionaires—but it’s still true that the Senate is where ambitious presidencies die. Dozens of subtle explanations are offered for the early failures of the Clinton administration—from the early missteps on gays in the military to the closed planning process on health care—but they are as nothing next to the banal fact, proclaimed almost daily on the Senate floor by then-Minority Leader Bob Dole, that, “you need 60 votes to do anything around here.”

In addition to the right of unlimited debate, which in turn leads to the 60-vote requirement to overcome a filibuster, the Senate is intentionally unrepresentative and its members vain, prickly, and aged (a senator today is more likely to be 75-plus than under 50). This leads to occasional calls for reform, from elimination of the filibuster to the complete abolition of the institution.

I should admit here that I love the Senate, even its anti-majoritarian and unbounded quality, its free play of antique egos, its cluttered toolbox of little-used procedures. So I resist such calls for reform. But they’re academic, since the Senate will remain the Senate, and our problems can’t wait for a constitutional convention.

Still, some presidents master the Senate, while others, like Bill Clinton or

Jimmy Carter, do not. While it’s widely believed that governors make better candidates for president than senators do—since governors can speak in a language of action and achievement, rather than John Kerry’s “I was among the first to cosponsor ...”—we are fortunate that the next president, if a Democrat, will have four or eight years of familiarity with the institution. At least he or she will recognize the troublesome task ahead.

The Democrat before Carter, Lyndon Johnson, will always be the model for mastery of the Senate, both from within and from the White House. Johnson’s genius was for pure retail politics, understanding the particular motives and foibles of every member in order to build a cross-party coalition resilient enough to outmaneuver the cross-party coalition opposed to civil rights and Medicare.

Ronald Reagan mastered the Senate first by remaking it—bringing with him 12 new Republican senators, most of them conservatives—but his most notable innovation was effectively changing the rules to create what’s now sometimes called “the 50-vote Senate.” A technical procedure known as “budget reconciliation” was transformed into a mechanism to move

sweeping budget cuts through the Senate with limited time for debate, eliminating the possibility of a filibuster.

The current President Bush had a far narrower partisan edge than both Johnson and Clinton but was able to extend the 50-vote Senate well beyond the realm of deficit-reduction, using reconciliation to pass tax cuts and other substantive policies. His allies went even further, using the threatened “nuclear option” of eliminating the filibuster for judicial nominations to force an agreement that made it difficult to block two extremely conservative Supreme Court nominations. Bush’s approach has been to seek cross-partisan support last, only after using every institutional power available to force a “take it or leave it” deal on Democrats. Remarkably, he has been able to do almost the same thing since his party lost control of the Senate in 2006.

For voters trying to determine whether the next president will be able to achieve universal health care or end the war in Iraq, the key question is not what the candidates’ campaign policy proposals say or how many years of experience they have. It is: Who will be able to “bring the

The key question for presidential candidates is whether they’ll be able to “bring the Senate back to decency.”

Senate back to decency”? Will the next president, like Reagan, be able to remake the Senate, bringing in new members from states like Colorado and Kentucky to reach an actual progressive majority of 56 or 57? And after getting within range of 60, will he or she be able to make the cross-party alliances to draw a handful of Northeastern or Midwestern Republicans out of the stance of

massive resistance that they adopted in 1993? And will he or she be able to be as creative as Reagan or Bush in recognizing that small and subtle institutional changes—as simple as using a rule that’s been forgotten—can turn the power of the Senate from obstruction to a force for positive change? **TAP**

Solidarity Politics

BY ANN FRIEDMAN

WITH THE DEMOCRATIC FRONT-RUNNERS A woman and a black man, it's not surprising that the phrase "identity politics" is popping up all over the place. In his post-Super Tuesday analysis for *The New York Times*, Adam Nagourney wrote, "Surveys of voters

leaving the polls suggested a reprise of the identity politics that has so long characterized—and at times bedeviled—Democratic politics." Christopher Hitchens penned a *Wall Street Journal* op-ed titled "The Perils of Identity Politics." And Rep. Artur Davis of Alabama warned, "We're not going to win on identity politics."

But just because our front-running candidates are a woman and a black man, it does not mean that this is the first election to hinge on candidates' identities. All those other election years, when only white guys were vying for the nomination, well, those were "identity politics" races, too. Why weren't they framed that way? Because most of the framers shared the identity of the candidates: white and male.

It's high time we acknowledge that every candidate has an identity: a race, a gender, a cultural background. It may not make or break every voter's decision, but a candidate's identity is always an electoral factor—even when that identity is white and male. Clinton's female supporters and Obama's black supporters don't get enough credit. They are making tough decisions on how to reconcile their political beliefs with their gut reactions upon seeing someone who looks like them up on the dais. In fact, all Democratic voters are wrestling with this. Very few Americans have ever had the opportunity to vote for anyone other than a white man for national office. After so many years with "white male" as the default political identity, we're all suddenly forced to

think about how much a candidate's race, gender, and background should matter.

Let's make this election about the issues, everyone says—and rightfully so. Our presidential nominee should be chosen primarily on the issues. But most of us don't separate issues from identity as cleanly as we'd like to believe. When it comes down to it, everyone is an "identity politics" voter. The problem is that phrase, as commonly used by right-wingers and some on the left who are tone-deaf on issues of race and gender, has the effect of cutting down the political choices and involvement of women, people of color, and gays and lesbians.

After all, Clinton and Obama and their supporters aren't playing "identity politics" any more than John Kerry's supporters did in 2004, or George W. Bush's did in 2000. It's absurd to suggest that the Andover-Yale-Harvard-bred Bush adopting a swagger and thickening his Texas accent, or John Kerry riding a borrowed Harley onto *The Tonight Show* set, was anything other than identity politics. And after several early primaries, as it became clear that white men most strongly supported John Edwards, nobody accused them of playing identity politics. Nope, that

distinction is reserved for people who have historically not been in positions of political power. In short, you can't be a white guy voting for another white guy and still play the identity game.

The news analysis after Clinton's New Hampshire victory (on the heels of her teary-eyed moment) and Obama's South Carolina victory (on the heels of Clinton surrogates throwing around racist phrases such as "shuck and jive") was that the anger of women and blacks reacting to sexist and racist incidents propelled the candidates to victory. That may or may not be true. But without a doubt, when it comes to identity, the negative is a more powerful motivator than the positive. When you attack candidates on the basis of their gender, race, or religion, you're not just attacking the candidates—you're attacking everyone who shares their background. When people question Clinton's ability to lead because she's a woman, they're questioning my ability to lead. It gets personal.

Identity can also motivate those who don't share a candidate's background. That's important, too. Several white people I know, who had been on the fence, declared their support for Obama after

those thinly veiled racist comments about him hit the mainstream media. Those voters, who don't share Obama's racial identity, were nevertheless impelled by race-based attacks to move into his camp. Call this the solidarity vote: supporting a candidate, in part, because of that candidate's identity—even if you don't share those traits yourself.

Many Democratic voters, torn between two candidates who are remarkably similar on many top-tier issues, no doubt came to support the candidate with whom they felt the most solidarity. In other words, they acted like the vast majority of the electorate: swayed by identity, but not completely persuaded. **TAP**

*When Bush
adopted a swagger
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The Democrats' Choice: Manager or Visionary

On matters economic, Hillary Clinton and Barack Obama think alike. Beyond policy, though, she promises to ride the bureaucracy; he promises to drive the mood.

BY EZRA KLEIN

“We have systematically diminished the role and the responsibility of our government, and we have watched our market become imbalanced,” said either Senator Hillary Clinton or Senator Barack Obama. “I just believe strongly that we are in great need of a total overhaul.”

“It’s been government research and investment that made the railways possible and the Internet possible,” said the other. “It’s been the creation of a massive middle class, through decent wages and benefits and public schools that allowed us all to prosper.”

The first statement is Hillary Clinton’s. The second came from Barack Obama. But either could be tucked away in the other’s speech without anyone raising an eyebrow.

Step back, just for an instant, and appreciate the moment. The two candidates left vying for the Democratic Party’s nomination are not running from government or quietly weaving a pale thread of populism around rhetoric meant to reassure whinnying bond markets. They are saying, forthrightly, that government is not the problem, unchecked corporate capitalism is.

Not since 1992, when James Carville took his magic marker to the war room’s whiteboard to immortalize, “It’s the economy, stupid,” have we seen an election conducted amid an economy in such screaming distress. Unemployment is rising, and the stock market is, well, falling is too kind a word; it’s more drilling a hole to the center of the earth. New data out of the National Association of Realtors suggests that, over the course of 2007, a full \$4 trillion in housing wealth was wiped out.

This is particularly grim news, as housing wealth has been the engine of our economy over the past couple of years. Americans have patriotically sustained our growth by overspending on houses, then riskily refinancing those houses in order to overspend on everything else. But with banks acting as their eager enablers, Americans took out too much credit, and many found themselves unable to pay it back. They lost their homes, and with them, their main source of wealth, and with that, their ability to consume, and thus their ability to pay back the banks that

loaned to them in the first place. And so down go the banks, and with the banks, the credit market, and with the credit market, the stock market, and on and on, rippling—or, more accurately, *ripping*—straight through the vast and complicated market atop which American power rests. This is why the Federal Reserve has tossed aside its normal, deliberative processes and is cutting rates like some frenzied horror-film slasher.

The situation is dire enough that the Bush administration, apparently fearing a Marie Antoinette moment, has actually gotten behind a stimulus package, albeit one that shortchanges food stamps and unemployment benefits. But beyond the substantive shortcomings of the stimulus, the very fact of its existence unsettles. The sight of George W. Bush embracing John Maynard Keynes is enough to suggest that the economic end times may be at hand.

THIS IS THE CONTEXT in which the campaign for the presidency is taking place. In South Carolina, a full 52 percent of Democratic primary voters said the economy was their most important issue. Health care, an intertwined concern, clicked in with 25 percent. Iraq commanded a mere 19 percent.

If the campaign is largely about the economy, it has not, however, featured much of an argument over the economy. Rather, we’ve seen a dramatic convergence in the domestic policies of the Democrats running for president.

It wasn’t ever thus. In 1992, Bob Kerrey was touting a version of single-payer health care, Bill Clinton a hybrid of single-payer and managed care, and Paul Tsongas a type of managed care. The distance between the various candidates was immense. In 2004, none of the major campaigns had universal health-care plans, and except for Gephardt’s, none even came close. This year, Clinton and Obama have released functionally similar proposals. The major difference is that Barack Obama’s doesn’t have an individual mandate, or any mechanism at all, to ensure universal coverage, while Hillary Clinton’s does. That’s a mark against Obama, as it will seriously degrade his ability to regulate the out-of-control insurance market, and

it renders his plan considerably less ambitious than Clinton's. But he swears he'll institute a mandate if needed and has been talking up the possibility of creating penalties for those who don't sign up, which is basically how a mandate works, so it's not even clear how far that difference takes you. Aside from the mandate, the candidates' plans are nearly indistinguishable in structure—all are public-private hybrids that preserve the current system, create a new market of federally regulated insurers that have to compete with a public plan, and offer subsidies to help with affordability.

Indeed, insofar as there's a detectable difference in economic approach, it's less about what to do than how to do it. In Obama's book *The Audacity of Hope*, he admits to appreciating the Ronald Reagan's understanding of government's failings. "Reagan's central insight," he wrote, "that the liberal welfare state had grown complacent and overly bureaucratic ... contained a good deal of truth." This insight was

hardly peculiar to Reagan; it was shared by a generation of community organizers, Obama among them, who fought with public bureaucracies every day. This insight has led Obama to the belief that individuals should experience a government as gentle and unfussy as possible. In my talks with his advisers, the term "iPod government"

repeatedly came up, a reference to Obama's desire for a sleeker, easier-to-use state. This guiding principle helps explain how he came up with a health-care plan without an individual mandate. Obama's fears that care would prove unaffordable and individuals would be left begging for exemptions from some unconcerned bureaucrat outweighed concerns that the healthy would opt-out of the system and that the insurers wouldn't cover everyone at a fair price if "everyone" really meant the sick. It's that thread that reconciles his philosophical preference for single-payer with his programmatic eschewing of universal care. Single-payer is simple. Mandates are more complicated, and Obama fears that a mismatch between affordability measures and care costs will leave individuals fighting with the state for coverage. Better the policy be meeker and the experience smoother than risk a strong policy's potential to force the unsuspecting into unwanted dealings with an unfamiliar bureaucracy.

Similarly, Obama's stimulus plan is essentially a quick, across-the-board tax cut. Clinton's is a series of tax credits and targeted subsidies. The difference between the plans, again, is between the ease-of-implementation of Obama's and the specificity of Clinton's. Her targeted credits help worthwhile programs and do more to target the worst-off, but in so doing, they create an essentially means-tested stimulus package that would require beneficiaries to prove their distress. Obama, by contrast, offers a large payroll tax rebate that would require little in the way of administration.

In this, as in much else, Obama betrays a universalist streak. Government is simplest when it is unspecific—it's when it starts trying to subdivide the population and impact only targeted groups that it becomes hard to administer (think of how little trouble seniors have accessing a universal program like Social Security versus how much trouble the poor have trying to determine eligibility for a means-tested program like Medicaid). If John F. Kennedy wanted a rising tide to lift all boats, Obama wants us all in one boat to better navigate the waves. But before he can rehabilitate the universalist approach to government, the experience of interacting with government must be bettered. In a world where a trip to the DMV is such a Kafkaesque odyssey that you can actually hire individuals to undergo the torment

for you, unifying the public square first means beautifying it. Till that day when government is reformed and citizens' trust is ensured, government must be used with care, and its capabilities should not be overestimated.

MANY OF CLINTON'S economic plans are universal as well. Indeed, her health-care plan,

with its mandate, is a truer expression of the principle than Obama's competing proposal. But in general, Clinton's approach doesn't display much of a unifying theme.

Her health plan is universal because that makes it a better policy, not because she conceives of social policy within a universalistic framework as such. Which gets to the real difference between the two candidates, which is not in what they want to do with the economy, or even what they believe about it, but how they conceive of the president's role in affecting it.

Where Obama speaks of trends and values, situating his policies within the broader forces shaping our culture as well as our society, Clinton speaks of individual problems and solitary obstacles, offering her proposals as discrete solutions to identifiable challenges. Her approach was well expressed in a speech she gave in Knoxville, Iowa. "The next president," she said, "will be a steward of our economy at a time when the bills from eight years of neglect and mismanagement will be coming due."

That is why, when you ask Clinton's advisers about their economic plans, they're likely to point you toward various policies she's proposed and pieces of legislation she's sponsored, most of which are admirable, forward-thinking, and thoughtfully designed. That is what a responsible economic steward does: competently manage the economy; identify and propose policies to solve problems when appropriate; leave things alone if they're humming along satisfactorily.

Obama's advisers, by contrast, are likely to point you toward his speech at the NASDAQ, which highlighted his desire to transform our economy through the application of moral leadership. There, Obama went before an audience of bankers and stockbrokers and spoke, not of our growth numbers or our credit problems but of our economic values:



Seventy-five years ago this week, Governor Franklin Delano Roosevelt took his campaign for the presidency to the Commonwealth Club in San Francisco.

It was a time when faith in the American economy was shaken—a time when too many of our leaders clung to the conventional thinking that said all we could do is sit idly by and wish that our problems would go away on their own. But Franklin Roosevelt challenged that cynicism. Amid a crisis of confidence Roosevelt called for a “reappraisal of values.” He made clear that in this country, our right to live must also include the right to live comfortably; that government must favor no small group at the expense of all its citizens; and that in order for us to prosper as one nation “the responsible heads of finance and industry, instead of acting each for himself, must work together to achieve the common end.”

This vision of America would require change that went beyond replacing a failed president. It would require a renewed trust in the market and a renewed spirit of obligation and cooperation between business and workers; between a people and their government. As FDR put it, “Faith in America, faith in our tradition of personal responsibility, faith in our institutions, and faith in ourselves demands that we all recognize the new terms of the old social contract.”

Seventy-five years later, this faith is calling us to act once more.

But when Obama says act, he really means talk. Speak. Inspire. The invocation of Franklin Roosevelt is telling: Obama does not mention a

single program from the New Deal. Rather, he remembers how Roosevelt used the office of the presidency to transform our economic culture, to create a political atmosphere in which progressive economic values would thrive and thus complementary policies would follow. Clinton, as steward, promises to better manage our economic policies. Obama, as moral leader, promises to better our economic politics.

This is also what drove their argument over Reagan. Speaking to the editorial board of the *Reno Gazette-Journal*, Obama said, “I think Ronald Reagan changed the trajectory of America in a way that Richard Nixon did not and in a way that Bill Clinton did not.” Bill Clinton, perhaps predictably, hotly disputed Obama’s claim, but he shouldn’t have. His presidency is perhaps the best illustration of Obama’s argument.

Clinton, in a sense, was the progressive steward of the Reagan Revolution. Reagan’s great accomplishment was to inject a certain set of economic principles and beliefs into the body politic. Reagan believed, and convinced millions of Americans to believe, in smaller government, lower taxes, balanced budgets, and the injustice of welfare. But though he enjoyed great success in elevating those ideas, he was far less successful in implementing them. Early on, he cut taxes, but then he had to spend years raising them in order to fund the government. Deficits exploded under his watch, the welfare rolls grew (though not as a percentage of the population), and the government expanded.

Clinton’s great successes, the ones he and his wife tout on the campaign trail, were really the fulfillment of Reagan’s principles. It was Clinton, after all, who declared, “The era of big government is over,” and was able to back that up with actual decreases in the size of government. It was Clinton who actually balanced the budget, who reformed welfare. Reagan set the politics; Clinton played the steward. This is not, it should be said, an attack against Clinton. He governed in a difficult ideological atmosphere—in Reagan’s America, not his own. And in Reagan’s America, Newt Gingrich and his followers were intent on enacting a far crueler version of Reaganism. Clinton, sensing their threat, smartly co-opted their principles and refashioned them as part of a relatively progressive and unquestionably compassionate agenda. In doing so, he succeeded in making some admirable policy advances (the State Children’s Health Insurance Program, a rise in the minimum wage, the expansion of the Earned Income Tax Credit) and staving off their most dangerous initiatives.

Hillary Clinton, similarly, means to govern within the ideological confines of the moment and to tirelessly work to implement better policy. Happily, compared to 1992, it is a moment more amenable to the progressive agenda, largely thanks to George W. Bush’s eight-year project to discredit conservatism. A talented bureaucratic leader may prove best able to press the

Talking of FDR, Obama mentioned no New Deal programs, but rather, how Roosevelt transformed our economic culture.

advantage and transform sentiment into substance. And Clinton is, by all accounts, exactly that. Her understanding of the bureaucracy is deep, and her command of the relevant policy is masterful. Given the circumstances, she will push, with savvy and determination, for the best policies possible.

But she largely accepts the circumstances, or at least her inability to change them through the application of her own charisma. Obama, by contrast, focuses more on changing the circumstances in which the legislation is made. The promise of his presidency is less its capacity to change our policies than its capacity to change our politics. He is more likely to critique, forcefully and eloquently, a culture that accepts grotesque CEO pay and rampant inequality. She is more likely to push workable solutions aimed at curbing those blights. She promises to ride the bureaucracy; he promises to drive the mood. He promises to replace Reagan’s vision of an individualistic economy with the progressive dream of an interconnected economy; she promises to work tirelessly to redress the inequities of our current economy. She promises to care for our economy; he promises to change its values. She wants to be the more liberal Clinton; he wants to be remembered as the progressive Reagan. To choose between them requires not so much an analysis of their policies as a judgment call on our politics. It requires deciding whether our country needs a talented steward or a visionary. **TAP**

Can the Democrats Think Big?

With the economic crisis becoming more dire by the day, Democrats will win on pocketbook issues only if they recover the imagination and nerve to offer remedies on a scale equal to the problems.

BY ROBERT KUTTNER

By the time the general election campaign is in full swing, the economy is likely to be in much deeper trouble. Historically, one of the staples of political science research is that presidential elections are backward-looking referenda and that the party presiding over a recession in an election year is very likely to lose. Despite deepening economic troubles, however, this year things are more complicated.

For starters, George W. Bush is not running, so this election will not quite be a referendum—unless the Democrats effectively make it a referendum on 30 years of market fundamentalism promoted by the entire Republican Party. But there is a gap between what Democratic leaders have been proposing to date and what it will actually take to fix the economy. Events have somewhat emboldened Clinton and Obama—on health insurance, on the mortgage meltdown, and even on trade. However, this recession is different in its dynamics from every downturn since the Great Depression, and most Democrats have yet to grasp that.

This economic slide is driven by a massive credit contraction caused by structural damage to the financial system. It was entirely needless damage—an economic war of choice—caused by the ideology and practice of extreme deregulation. The damage is so severe that the usual medicines—low interest rates and modest deficit spending—are not sufficient to cure it.

The economic downswing is compounded by several other factors that make for a perfect storm. After more than a decade of America's escalating dependence on foreign borrowing to finance a structural trade imbalance, global financial markets are losing confidence in the dollar. Our friendly creditors in Asia and in the Persian Gulf are starting to use their dollar hoard to buy real stuff (and at fire-sale prices), not just U.S. Treasury bonds. And the cheap dollar only compounds the problem of rising inflation in sectors such as food and energy, limiting the Federal Reserve Board's room to maneuver with lower rates.

Most important, the current downturn intensifies forces that have been at work for three decades, a period when both parties turned away from the managed form of capitalism that

produced the broadly shared postwar boom. That earlier era yielded not just high rates of growth but narrowing income gaps and increasing economic security for ordinary Americans. What vexes voters is not just the recession, which has barely begun to bite, but the 30 years of what CNN's Lou Dobbs calls the War on the Middle Class.

Thus the Democrats' task is to place the responsibility squarely where it belongs—on market-fundamentalist ideology and the related right-wing policies that have undercut mechanisms of security and opportunity—and to offer something dramatically better. This requires not just a repudiation of George W. Bush but a reversal of an entire philosophy of how to run an economy. That philosophy has now been revealed as a proven, practical failure both for working Americans and for the solvency of the system.

The necessary enterprise is a bold recovery program, not a better "stimulus"—a term that connotes government response to an ordinary business cycle, which this recession is emphatically not. Nor does a short-term injection of stimulus reverse the trajectory of the 30-year trend.

THE FIRST CHAPTER in the unfolding saga of Democrats as champions of recovery was the rush to compromise with President Bush on the so-called stimulus package. It was not their finest moment.

Bush needed fast congressional action, but House Democrats held more of the cards. They could well have afforded to wait a few weeks and to have used that period to contrast Bush's proposed tax cuts—mostly for business and the affluent—with a far more dramatic and effective program for regular Americans, setting the stage for bigger things. But the House Democratic leadership was persuaded that the public wanted quick cooperation and that the usual media clichés about "partisan bickering" would have been even more damaging to Congress' standing than a quick capitulation to Bush.

In addition, the Democrats were (and still are) hobbled by the fiscal conservatives in their own ranks. In the negotiations with Speaker Nancy Pelosi, the House Blue Dog Caucus insisted that the overall size of the stimulus be held down.

The Clintonian idea that the Democrats should first and foremost be the parsimony party still has substantial support. The Democrats actually entered the negotiations proposing a smaller stimulus number than the administration.

The Democrats also bought the centrist mantra, repeated endlessly by a chorus that included former Treasury Secretary Larry Summers, the Center on Budget and Policy Priorities, and countless others, that the stimulus should be “timely, targeted, and temporary.” Why this tepid trilogy of weak T’s? Democrats were fearful that the economic downturn, absent these caveats, would become an excuse for another round of permanent Republican tax cuts. So instead of looking toward the fall election and the real economic plight of the electorate, they kept looking over their shoulders at the Republicans.

The conventional wisdom among centrist economists is that stimulus bills are very risky. By the time they get through Congress, the recession is often over (hence, timely); Congress is tempted to turn them into Christmas-tree, special-interest bills (hence, targeted); and tax cuts, once enacted, tend to become permanent holes in the tax code (hence, temporary). This wisdom is accurate as far as it goes, but in a structural economic crisis, it doesn’t go very far. So instead of coming out of the box with a recovery program that offered at least a down payment on reversing 30 years of economic insecurity, and beginning a serious effort to repair the financial crisis, Democrats yet again were enablers of President Bush.

They were rewarded with a photo op beside a hugely unpopular and failed president bringing Democrats to heel. In the larger context of the general election, Timely, Targeted, and Temporary signaled nothing so much as Think Small.

Even Senate Finance Committee Chairman Max Baucus, the most fiscally Republican of Democrats, called for a more robust package. The Senate Democrats ended up offering a bit more—an additional \$40 billion over two years with extended unemployment benefits, more tax breaks for seniors, help on home-heating costs, and additional food-stamp aid. The Republican leadership usefully objected, setting up the beginning of some instructive contrasts rather than a bipartisan unity fest.

But the entire debate was conducted within far too narrow limits. Given where the economy is headed, a serious anti-recession package would begin by spending at least triple what Bush and the congressional Democrats embraced. One area they left out entirely was state and local government. Because every state but one is required to balance its budget, the economic effect of a recession on state spending is what economists call “pro-cyclical”—it intensifies the downturn instead of offsetting it. Sales, income, and property taxes begin falling. But instead of leaning against the economic winds, states with

reduced revenues must reduce spending—on everything from aid to the poor to public works. An emergency revenue-sharing package would prevent cuts in state spending, at 100 cents on the dollar—and would tee up programs of job-creating infrastructure overhaul and green investment for 2009.

As we go to press, Democrats in Congress have begun talking about the stimulus as just a down payment on what’s really needed. Beyond bigger countercyclical public spending, we need a strategy for reversing the calamity in the housing sector. Sen. Chris Dodd’s proposal to revive and modernize the New Deal’s Homeowner’s Loan Corporation would actually prevent foreclosures, unlike the weak voluntary measures proposed by the administration. And then we need much stronger medicine to reverse 30 years of stagnant incomes and dwindling economic security.

This enterprise is not easy for a congressional party with a very slender majority in both chambers that is divided into progressives, moderate liberals, and fiscal hawks. Its normal job is to legislate, and its leadership is accustomed to pursuing compromises that can win Bush’s signature. But for a presidential candidate, bolder economics is surely possible—and necessary.

IN THE GENERAL ELECTION

Democrats must first hang the current financial collapse and its spillover effects around the necks of the Republicans and their market-fundamentalist

ideology. Second, Democrats need to give themselves permission to think big. The need, both politically and substantively, is to persuade economically stressed voters once again that Democrats are truly the party of ordinary working Americans, and then—presumably beginning in 2009—to deliver.

The day after the House voted for its paltry \$145 billion stimulus package, *New York Times* reporter Adam Nossiter quoted the iconic disillusioned, potentially Democratic voter, Buford Moss, a retired Union Carbide worker who lives in Columbia, Tennessee. “I wish there was somebody worth voting for,” Moss told Nossiter. “The Democrats have left the working people.” It is this perception that the 2008 campaign needs to change, and it will not be changed with feeble policies and boilerplate rhetoric.

Both Clinton and Obama began as minimalists compared to what’s needed, though in different ways. With the exception of a health plan that would cover nearly everyone, Clinton’s language and proposals have been characteristically incremental. Obama’s rhetoric has been far more sweeping, but his actual policy proposals have been even more modest than Clinton’s. Both candidates have taken their economic policy from experts who are centrists. Presumably, the rhetoric and the proposals will become bolder as the election year wears on, because economic circumstances will demand it.

What would it take not just to repair the damage to America’s financial institutions but to fundamentally alter the



30-year trajectory of disappearing economic security? Government ultimately has five tools. Most obviously, government can tax, spend, and regulate. It can also teach and build constituencies. The great progressive presidents have used all five.

THIS IS NOT THE PLACE to spell out an entire recovery program. The *Prospect* will be offering details throughout the election year. However, a few basics should be clear. Reversing the catastrophic damage to the financial system and its tendency to generate dangerous asset bubbles will require New Deal-scale re-regulation. Reversing the 30-year trajectory of increasing inequality and insecurity will require very substantial public spending. It's time for Democrats to stop flinching at both ideas, since these are the two core ways that government offsets the insecurity and inequality produced by markets. The "new economy" has not changed that dynamic but intensified it.

Repairing America's broken infrastructure will cost public money. Financing green energy and creating good jobs along the way will cost public money. Converting the low-wage jobs in the human service sector into good middle-class professional jobs will cost public money. Disconnecting health security and retirement securities from the vagaries of employment will cost public money. And improving the economic horizons of young Americans will require serious public outlays, too. (For some detailed policy ideas, see my piece in the companion special report, "An Economic Compact for the Young," p. A21.)

And finding the revenue to finance that social outlay will require reviving progressive taxation. Reverting to the tax schedule of the pre-Bush code, but preserving the lower taxes on Americans with incomes under \$200,000, could easily raise an additional \$300 billion a year. Republicans are referring to

The ideology of tax cuts and deregulation may have been plausible in 1980, before it had a full field test, but not today.

this as the mother of all tax hikes; but because Bush's tax cuts were so heavily tilted upwards, well over 95 percent of Americans would get no tax increases and many could get additional cuts. Unless Democrats reclaim progressive taxation, they will be stymied with the rest of their agenda. It takes leadership and nerve to explain why services that Americans want and need must be financed based on taxpayers' ability to pay.

Tax-enforcement experts have generally agreed that an additional \$300 billion a year can be collected from high-bracket partnerships and other subterfuges designed to illegally evade taxes. There is at least another \$100 billion to be had from winding down the Iraq War. So the money can be obtained for the scale of outlay that America needs.

But before Democrats can find the resources, they must first find the political will. And that will require ending a 30-year pattern, going back to Jimmy Carter, of offering small-bore fixes to ordinary voters while tailoring fiscal and regulatory policies for Wall Street.

For the Democrats to win the votes and receive the mandate to carry out a bold recovery program once in office, the campaign needs to be treated as a series of teachable moments. If the usual campaign consultants prevail, there will be lots of poll-tested "messaging" around particular issues, aimed at particular constituencies. But the more important task is to wrap all these into one overarching message: Right-wing ideology and Republican policies have undermined both the working middle class and the very solvency of the U.S. financial system—and Democrats are offering more than token alternatives. This is the lesson of the sub-prime crisis, the projected \$2 trillion decline in housing values that will weaken the personal balance sheets of middle-class Americans, the insecurity that Americans face on a variety of fronts ranging from their health insurance to their pensions to their jobs, and the rising costs of entry into the middle class.

This toxic right-wing reign did not begin with Bush, and it will not end with Bush unless a radically different view of economics and government is restored. The Republican nominee will endeavor to distance himself from Bush's failed presidency, but all of Bush's policies were made possible only because a Republican Congress voted in lockstep to cram through Bush's legislation and to confirm his appointees (both the competently radical ones and the corruptly incompetent ones). The campaign should be nothing so much as an ongoing education in these truths.

Both Obama and Clinton bring assets and liabilities to that exercise. For Obama, the task is to cruise as a unifying candidate somewhat above party—and use his eloquence to remind voters of all the ways that right-wing ideology failed them and the nation. Obama has been getting better at this.

For Clinton, who begins as a highly divisive candidate, the challenge is to drive home the failure of Republican ideology and policy, without seeming even more divisive.

With the economy tanking, the Republicans, astonishingly, are still

running on more tax cuts, more deregulation, more globalization. That ideology may have been plausible in 1980, before it had a full field test, but not today. With the exception of 1964 and 1936, it is hard to think of an election in which the ideological choices were more stark. When Bush ran in 2000, he posed as a moderate. By the time Bush's radical conservatism had been fully exposed in 2004, John Kerry failed to personify a credible progressive alternative. After 30 years of at least partly succumbing to right-wing ideological fashion and the political influence of financial elites, the Democrats still have a way to go before credibly restoring their mantle as champions of people like Buford Moss.

It is still possible that the Democrats could coast into the presidency, on the sheer momentum of the Republicans' multiple failures. But how much more effective it would be if they used the campaign to define and claim a mandate that they will surely need in 2009 and beyond, if they are to repair the U.S. economy and their own great tradition as the party of the common American. **TAP**

THE 2008

THOUGH THE DEMOCRATIC presidential contest has turned into a longer-running show than anyone could have imagined, it's not too early to begin the quadrennial quest for the perfect Democratic vice-presidential running mate. Accordingly, the Prospect asked a group of journalists and politicians to name their picks and state their reasons, and what follows are our sketches—please do not misconstrue them for endorsements—of some of the most interesting possibilities. For the record, the two names our mentioners mentioned most frequently were Jim Webb (could bring Virginia and white working-class males and provide some national-security experience on either a Hillary Clinton or Barack Obama ticket) and Joe Biden (provides foreign-policy bona fides and age to Obama's youth). And, for the record, the names of Govs. Sebelius and Napolitano came up as running mates for Obama, not Clinton.

Since Super Tuesday, however, the calculus on the veep question has shifted. If Obama and Clinton continue to split the vote down the middle, all logic suggests that she (if she wins the nomination) will offer him the No. 2 spot as the best way—maybe, the only way—to ensure that both halves of the party march off arm-in-arm to the fall wars. Should Obama win the No. 1 spot, the reverse logic is also compelling, though it's harder to see Clinton accepting the veep spot than it is Obama. Conventional wisdom hardly suggests putting a woman and a black man on the same ticket, but if she brings the base and

he the independents to the polls, conventional wisdom may prove mighty foolish.

That said, the woods are full of other options, and here they are.

—HAROLD MEYERSON

JIM WEBB

The freshman senator from Virginia, former marine, former Reagan administration official, and accidental Democrat, Jim Webb has not only walked away from last year's gridlock on Capitol Hill politically unscathed, his reputation has been burnished by the trials. *Politico* named him the congressional rookie of the year, announcing in a headline, "Anti-war Webb was talk of Senate from Day 1." And he consistently tops the list of notable names in the vice-presidential sweepstakes.

The reasoning is pretty straightforward: He has the military credentials, including two Purple Hearts, and

is always up for a fight. As a 62-year-old white man from a "Southern" state, he would provide any kind of balance needed to a ticket led either by a too-well-known woman senator from New York or a not-very-well-known young black senator from Illinois.

He also could, potentially, bring Democrats a red state that would be an enormously helpful addition to their electoral victory map. Virginia has been trending Democratic in recent years with strong back-to-back gubernatorial wins in 2001 and 2005 (Virginia governors are limited to a single term), and Webb's shocker of a victory in 2006 over George Allen, who was at the time one of the front-runners for the GOP presidential nomination. Webb's name on the ticket may be exactly what is needed to turn Virginia blue in November.

But Webb's past, by Democratic standards, is checkered. He was Ronald Reagan's secretary of the Navy; he expressed very public concern about the ability of women to lead men in combat, and he loves, loves, loves his guns. Not the stereotypical traditional Democrat.

Indeed, Webb's high standing may say more about the party and its search for an identity than it does about Webb himself. There is a rugged quality to Webb, and some Democrats see in him attributes

they long for in their party—conviction, strength, and a willingness to fight. The brawler in him is barely concealed, and unstated in every one of his arguments is an undercurrent of, "you wanna take it outside, asshole?" Days after he narrowly defeated Allen, Webb endeared himself to the party faithful by telling the president off at the White House.

But more importantly, Webb may also speak to and for a demographic—the white working class—that has more or less abandoned the Democratic Party, especially in the South. Webb believes that if the party plays its cards right, it can get those voters back the way it got him back. Webb, who openly describes himself as a Reagan Democrat, is that rare and welcomed breed. He is a Democrat who came back, and he decided to run for the Senate after watching the Bush administration botch the response to Katrina. He thinks there are more like him.

"I believe that there are a number of people who went over to the Republicans because of foreign-policy issues ... but whose natural home in terms of issues of economic fairness, social justice, and, now, also in terms of foreign policy would be in the Democratic Party," he said in a recent radio interview. Webb talks about the return to Jacksonian democracy, and riffs about a more



VEEPSTAKES

vigorous trade policy and its role in economic fairness for the American working class. In his 2004 book, *Born Fighting*, a tone poem to the Scots-Irish and their role in shaping American culture, Webb celebrates his ancestors and the poor working-class communities they established in the mountains of the border South.

American politics, he says, must turn its emphasis back to the needs of those people. "It's time to focus on what's happening to the average American worker, and we really haven't seen that at the top of either party for quite some time," he says. These populist concerns were front and center in Webb's State of the Union address last year:

The middle class of this country, our historic backbone and our best hope for a strong society in the future, is losing its place at the table. Our workers know this, through painful experience. Our white-collar professionals are beginning to understand it, as their jobs start disappearing also. And they expect, rightly, that in this age of globalization, their government has a duty to insist that their concerns be dealt with fairly in the international marketplace.

This was not New Democrat-speak. This was no middle-of-the-road bipartisan looking for compromise. This was indeed a Democratic response, one that many see as having a lot of resonance on the 2008 national ticket.

—TERENCE SAMUEL



KATHLEEN SEBELIUS

Remember those old Looney Tunes shorts, where Bugs Bunny would present an unsuspecting adversary with a gift-wrapped present? The adversary, charmed by this show of goodwill, would undo the bow only to have the package explode in his face. It's a good deal like being tapped for the rebuttal to the president's State of the Union address. Every year, a rising political star is given a couple of minutes of national exposure to deliver the reply, and just about every year (the recent notable exception being Sen. James Webb of Virginia), the rising star fizzles, delivering an anxious, platitudinous speech on a quiet set.

Gov. Kathleen Sebelius of Kansas got the opportunity this year, and like so many before her, she flubbed it. The speech was vague and fuzzy, the delivery nervous and halting. And that's a shame. Because in more natural settings, there's much to recommend Sebelius. To start, she's a female Democratic governor of a deeply Republican state. She's popular, savvy, and test-

ed in tough electoral fights in a region where Democrats need to do better. Where Barack Obama likes to talk about change through unity, she's actually achieved it, deftly taking advantage of Kansan conservatives' extremism to convert moderate Republicans into Democrats. Her lieutenant governor, Mark Parkinson, used to be the chairman of the state Republican Party. He switched at her behest. She worked the same conversion trick with the state attorney general and many others. But she has not achieved all this by collapsing her ideals: She's anti-death penalty, pro-choice, and bravely standing against the expansion of carbon-belching coal plants in her state. And did I mention her father is a fondly remembered former governor of Ohio? She may need some time with a speech coach before she's ready for a spot on a national ticket, but hey, everyone's got weak points.

—EZRA KLEIN

TED STRICKLAND

A former Methodist minister and child psychologist, Gov. Ted Strickland of Ohio would bring Christian-progressive cred to the Democratic ticket. Even more compelling could be Strickland's proven appeal to swing-state Ohio voters: In his 2006 gubernatorial run, the six-term congressman won 20 percent of registered Republicans and 69 percent of independents. He has an "A" rating from the National Rifle Association.

But Strickland has a horse in

this race. In the House, he was a leader in creating the State Children's Health Insurance Program, which cemented his relationship with then-first lady Hillary Clinton. Strickland endorsed Clinton in November and campaigned on her behalf in Iowa and South Carolina, arguing that Clinton has what it takes to paint Ohio blue. He hasn't always been known for circumspection. In Iowa, Strickland peeved locals—and the Clinton campaign—by calling the caucus process "hugely undemocratic." Another weakness could be his lack of foreign-policy bona fides.



Domestic social issues, especially education, have been Strickland's focus in Ohio. Once a counselor to prison inmates, Strickland has also made criminal-justice reform a priority. He stayed and commuted several executions and introduced stricter rules for how Ohio law enforcement handles DNA evidence.

All that makes for a progressive governing record, and in the very swingiest of states, to boot. But if the Democratic presidential nominee decides to emphasize military credibili-

THE 2008 VEEPSTAKES, CONT.

ty over social issues, Strickland could fall to the bottom of the V.P. short list.

—DANA GOLDSTEIN

KEN SALAZAR

When former Gov. Bill Richardson of New Mexico exited the presidential race, leaving little behind except the memory of embarrassing verbal gaffes and ineffectual debate performances, he probably took his hopes for



a vice-presidential nod with him. But that doesn't mean the Democratic Party won't have the opportunity to make the first nomination of a Latino to a national ticket. Some are pinning their hopes on Ken Salazar, the Mexican American first-term senator from Colorado—a swing state the Democrats are hoping to turn from red to blue this November.

Prior to narrowly winning his 2004 senatorial election against Republican beer magnate Pete Coors, Salazar had a diverse career—serving as Colorado's attorney general for six years, working a four-year stint as the head of Colorado's Department of Natural Resources, not to mention owning a Dairy Queen franchise and several radio stations. Salazar grew up in a ranching and farming family, and protecting Colorado's

stunning natural beauty was one of the key promises in his Senate campaign. This year, he pushed for stricter environmental standards for the mining industry. But like Barack Obama (and unlike Hillary Clinton), Salazar voted in favor of the 2005 energy bill, choosing to overlook its handouts to polluting industries.

As befits a former attorney general, Salazar has made his name in the Senate primarily on issues such as judicial appointments and the fight over the Bush administration's abuse of wiretapping. A moderate, Salazar was a member of the Gang of 14, which sought to avoid Democratic filibusters of Bush's judicial nominees by ensuring Democratic senators a voice in the process. During the long Foreign Intelligence Surveillance Act debates over warrantless wiretapping, Salazar supported stronger civil libertarian amendments to the proposed legislation.

If anything can keep Salazar off a V.P. short list, it might be his propensity for picking the wrong allies. Shortly after arriving in the Senate, Salazar introduced Alberto Gonzales at his confirmation hearing to be attorney general, though it was already public knowledge that Gonzales had authored reports supporting the torture of detainees. Salazar

also endorsed Joe Lieberman over the anti-war Ned Lamont in the Connecticut Democratic senatorial primary of 2006. Lieberman, of course, went on to campaign on behalf of John McCain. Oops.

—DANA GOLDSTEIN

JOE BIDEN

The Senate has its windbags, but few so windy as Joe Biden. Over the course of the 2008 campaign, however, Biden emerged as a serious national figure. He stopped making gaffes, stopped running past the red time's-up lights, and started making sense. He dominated the foreign-policy sections of the debates, angrily, passionately, and above all, confidently making the case against neoconservatism. He probably had the best line of the campaign when he said of Rudy Giuliani, "There's only three things he mentions in a sentence—a noun, a verb, and 9-11."

Increasingly, Biden became

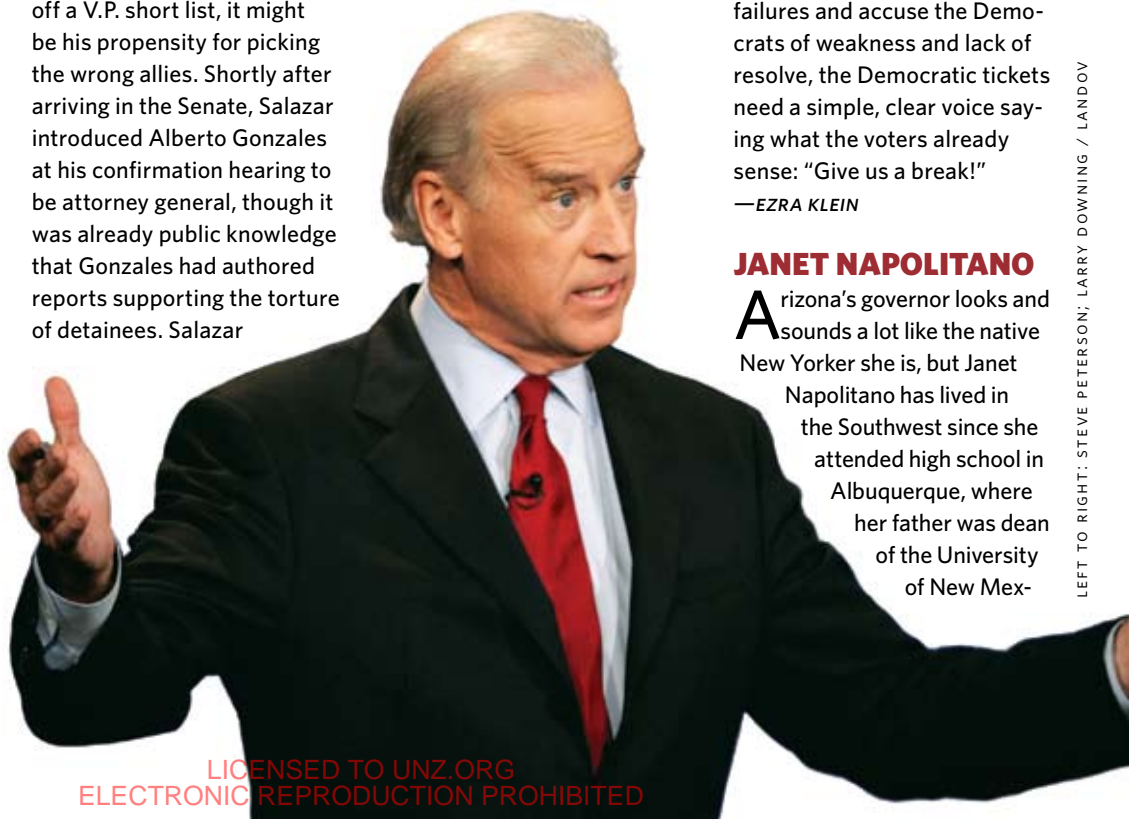
not just a respected presence on the stage, but the only candidate making a concise case for the Democrats on international affairs. Where the other candidates responded to questions of national security with passively phrased expressions of sorrow about the regrettable policies of the Republicans, Biden responded with unadulterated contempt for the neocons who had steered the country so determinedly into a ditch. Of Bush, he said, simply, "This guy is brain dead." Then continued: "The next time I hear a Republican talk about 'us being tough on terror'—give me a break!"

Biden's self-assuredness—some would call it cockiness—on foreign affairs is exactly what the Democrats need. No more passive voice. No more convoluted statements about the Bush administration's well-intentioned but poorly managed policies. In reply to the Republicans' inevitable attempt to distract from their failures and accuse the Democrats of weakness and lack of resolve, the Democratic tickets need a simple, clear voice saying what the voters already sense: "Give us a break!"

—EZRA KLEIN

JANET NAPOLITANO

Arizona's governor looks and sounds a lot like the native New Yorker she is, but Janet Napolitano has lived in the Southwest since she attended high school in Albuquerque, where her father was dean of the University of New Mex-



ico medical school. After law school, she settled in Phoenix, and in 1993 Bill Clinton tapped her as U.S. attorney for Arizona. She was elected state attorney general five years later, and then in 2002 she squeaked to a narrow victory over Rep. Matt Salmon to become governor. Four years later, she cruised to re-election with more than 60 percent of the vote. Throughout her tenure, conservative Republicans have controlled both houses of the Arizona legislature, which is the reason she's issued a record number of vetoes for an Arizona governor. Nevertheless, under her tenure spending on public services steadily increased, including a noteworthy initiative offering full-day kindergarten to families who wanted it.



On a national ticket, she'd bring an element of executive experience and "tough" prosecutorial background that the presidential contenders lack. As a U.S. attorney, she even handled a terrorism case. Three statewide wins in a red state speak to political skills that could help win structurally similar but more Democrat-friendly states in the region such as New Mexico, Nevada, and Colorado. From her perch as head of the National Governor's Association, Napolitano has also gained some experience with a nationwide issue portfolio, and as a border-state politician she

has extensive background in coping with the tricky politics of immigration.

—MATTHEW YGLESIAS

BRIAN SCHWEITZER

Next to Gov. Brian Schweitzer of Montana, a mint farmer who regularly wears jeans and bolo ties and is followed around almost everywhere by his border collie, Jag, even the most comfortable-in-their-own-skin politicians seem like wooden mannequins. Despite being outspent almost 2 to 1, Schweitzer first made headlines in 2000 by nearly upsetting Republican Sen. Conrad Burns. (Burns was ousted six years later by Democrat Jon Tester.) Schweitzer admits he never stopped running after that 2000 defeat, and by 2004 he was able to eke out a win in the governor's race on the same day George W. Bush carried the state by 20 points.

Schweitzer could put his considerable political skills to good use on the national ticket. He's quick, funny, self-effacing, authentic. A 52-year-old husband and father of three, Schweitzer also undermines a number of the cultural stereotypes about Democrats; he supports gun rights and understands sportsmen politics. His other obvious draw is regional: Picking him would reinforce Howard Dean's message in selecting Denver for the 2008 Democratic National Convention—that the Democrats are taking voters and states of the interior West seriously.

The major risks of picking Schweitzer are two-fold. First, his state brings with it the promise of only three electoral votes, and though Bill Clinton won Montana in 1992, given Bush's strong performances there the last two cycles, Schweitzer as running mate is no guarantee



of bringing Montana back into the Democratic fold. Second, Schweitzer's Montana is one

of only 11 states with four-year gubernatorial terms that coincide with the presidential election, so he'd have to forego running for a second term as governor in 2008. These risks, plus the fact that he doesn't bring much to the ticket in terms of foreign-policy experience (though he does speak Arabic), make Schweitzer a second-tier choice in the veepstakes—but a first-rate choice for a prime-time speaking slot at the Denver convention.

—THOMAS F. SCHALLER

THE BENCH, ETC.

Because nominating politicians for national stardom is one of those time-honored journalists' perks, there are lots of other names floating around in the ether.

Former **GOV. TOM VILSACK** of Iowa, **SEN. EVAN BAYH** of Indiana, and **GOV. BILL RICHARDSON** of New Mexico were commonly named "safe" choices, albeit less-than-exciting ones. Vilsack couldn't nail down the support of his own state in his short-lived presidential bid. Bayh is equally dull, and it's hard to see him bringing solidly Republican Indiana into the Democratic column. Richardson failed to gain much traction as a presidential candidate. With Virginia in play this year, some suggested former **GOV. MARK WARNER** as an alternative to Jim Webb, though the Democrats really need Warner to pick up Virginia's open senate seat in November. **GOV. ED RENDELL** of Pennsylvania came up as well, though he's one of the dwindling number of pols who still looks like an old-style political boss. (Rendell would make sense only if the Dems anticipate real trouble with his state's aging, culturally conservative white working-class voters. But the same logic would argue even louder for Ted Strickland in Ohio.)

Center for American Progress president (and Bill Clinton's onetime White House chief of staff) **JOHN PODESTA** is a progressive with a lot of executive experience, and would likely fare well in the debates. **GEN. ERIC SHINSEKI** could bring some national-security heft to the ticket and would be a less "political" pick than fellow general **WESLEY CLARK**. **GARY HART** could be a Dick Cheney sort of V.P., minus the handicap of actually being Dick Cheney—no presidential ambitions and a long record of public service on national security issues. And who remembers Donna Rice, anyway?

Some wags in our voting pool took liberties with their assignment. We got everyone from serious-but-obscure academics like **KATHLEEN SULLIVAN** to roguish-but-aging actors like **WARREN BEATTY**. Unlike Dick Cheney, nobody suggested themselves ... or Dick Cheney. —THE EDITORS



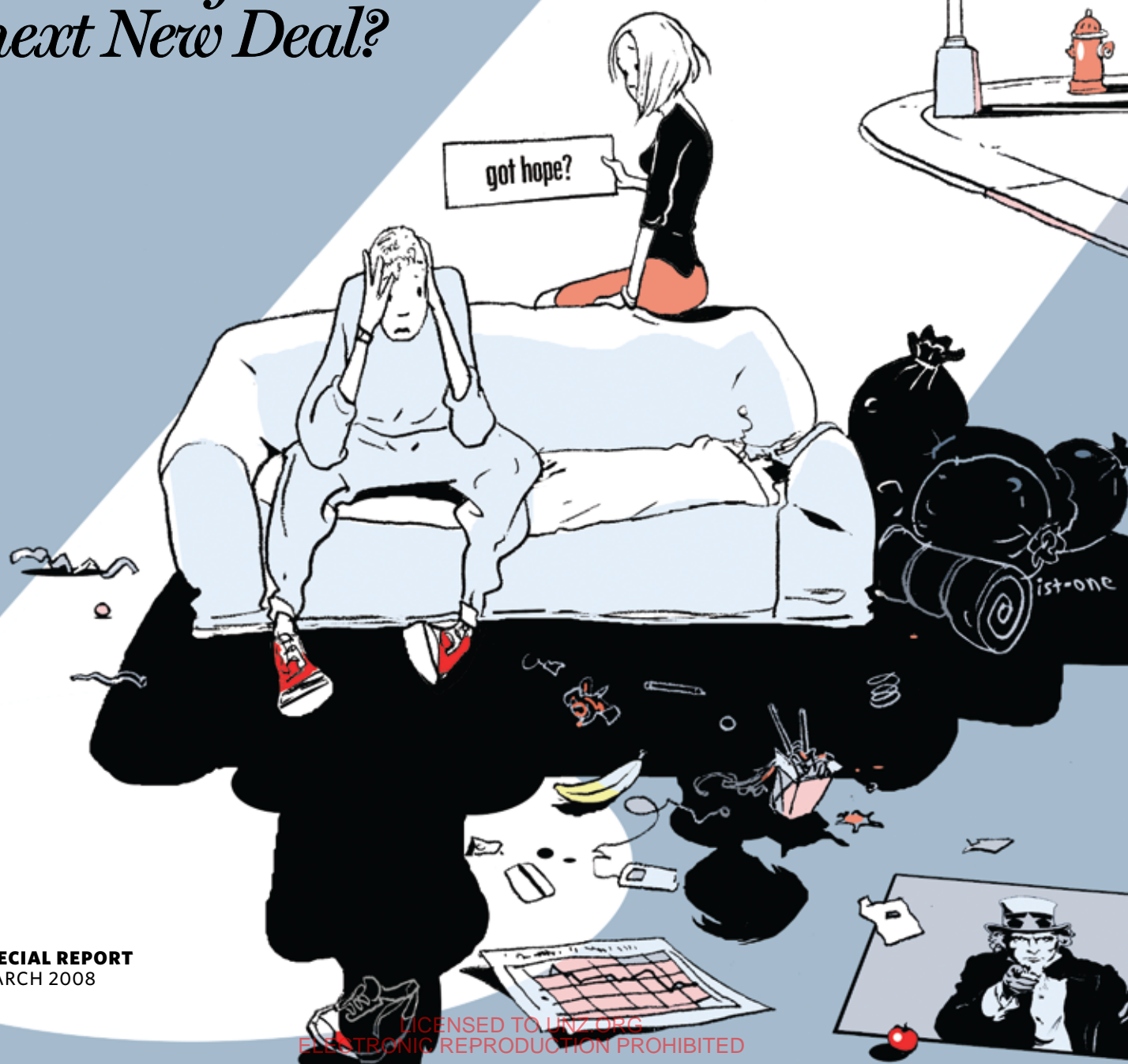
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Dēmos

MOBILIZING MILLENNIALS

*Will their economic
raw deal fuel the
next New Deal?*

ONE WAY



SPECIAL REPORT
MARCH 2008

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Address the Pain, Reap the Gain

Why our nation's future demands that political leaders take seriously the economic plight of America's young

BY TAMARA DRAUT

TODAY'S YOUNG ADULTS are very likely to be the first generation to not surpass the living standards of their parents. Evidence of their declining economic opportunity and security abound, from widespread debt to lower earnings in today's labor market for all but those with advanced degrees.

While this new generation is intensely engaged in the 2008 primary process, their pocketbook concerns remain on the margins of our political debate. A candidate visiting a college campus throws in something about the need for good jobs and lower tuition. But the stump speeches and debates are aimed primarily at middle-aged voters, using broad phrases like "strengthening the middle class" and ignoring the extreme economic insecurity of the young.

There are two compelling reasons why our politics needs a platform centered on the promise of expanding economic opportunity and security for a new generation. First, any effective agenda to shore up America's middle class will have to address young people. After all, it's between the ages of 18 and 34 that the major decisions affecting the trajectory of one's life are made: how much education to complete, what to do for a living, and when to start a family. Second, it could be a winning electoral strategy—attracting not just the youth vote but that of parents and grandparents, voters who worry about the ability of their children and grandchildren to build a better life for themselves. Indeed, polls now show that the majority of Americans do not believe the next generation will be better off than they are.

It's not surprising when you consider what has changed in just one generation. Back in the 1950s, 1960s, and early

1970s, three factors helped facilitate the transition to adulthood. First, there were jobs that provided good wages even for high school graduates. A college degree wasn't necessary to earn a decent living. And if you wanted to go, college was far more affordable. The second was an economy that lifted all boats, with productivity gains shared by workers and executives alike. The result was a massive growth of the middle class, which provided security and stability for families. Third, a range of public policies helped facilitate this economic mobility and opportunity: a strong minimum wage, grants for low-income students to go to college, generously subsidized state college tuition, a reliable unemployment insurance system, enforcement of the right to join a union, major incentives for homeownership, and a solid safety net for those falling on hard times.

This world no longer exists. Relation-

ships between employers and employees have become more tenuous, as corporations face global competitors and quarterly bottom-line pressures from Wall Street. Fringe benefits like health care and pension plans have been evaporating. As most families see their incomes stagnate or decline, they increasingly need two full-time incomes just to stay afloat, creating new demands and pressures on working parents. Getting into the middle class now requires a four-year college degree, and even that is no guarantee of the American dream.

But this increased insecurity for the young is not mainly the result of changes in the economy, for the economy is always changing. Rather, the insecurity reflects the failure of public policy to keep pace with the changes by providing the kind of buffers and counterweights that were widespread just a generation ago.

Today's young adults are trying to establish themselves in a society that has grown widely unequal and less responsive to the needs of ordinary citizens—with no real help from their government. At each step in the obstacle course to adulthood—getting an education, finding a job, starting a family, and buying a home—our nation's public policies have failed to keep up. Far too often, social critics blame a supposed poor work ethic or out-of-control spending habits. But the statistics paint an economic portrait much more troubling than a penchant for \$4 lattes.

COLLEGE: A LUXURY-PRICED NECESSITY

Today, rapidly rising tuition and anemic federal financial aid has created a “debt-for-diploma system.” With two out of three undergraduates leaving school with student-loan debts averaging \$19,200 (\$17,250 for those attending four-year public universities), the debt-for-diploma system is a financial undertow on young adults long after graduation.

Back in the 1970s, before college became essential for a middle-class lifestyle, our nation was more committed to helping students afford college. Students from modest economic backgrounds received almost free tuition through Pell grants, and middle-class

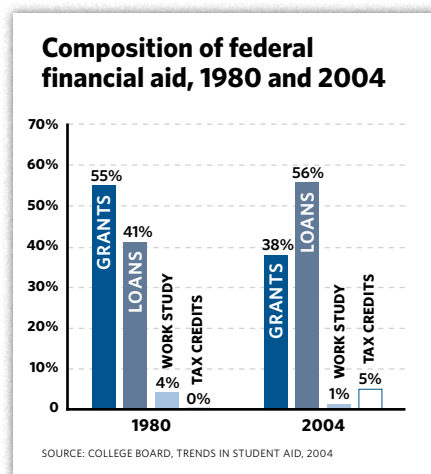
households could afford to send their kids to college because states kept tuition at public universities and colleges within reach. A generation later, state spending on higher education is at a 25-year low and federal financial aid is increasingly debt-based, with only 38 percent in the form of grants (chart below). We no longer help students afford college; we simply help them go into debt for college.

After sitting idly by for more than a decade, Congress last September passed The College Cost Reduction and Access Act, which will provide an additional \$20 billion in student aid over the next five

the government currently provides to student-loan companies.

These measures provide some progress in fixing our financial aid system, but it's important to remember that in 1972 when the Pell grant was established, it was designed to cover three-quarters of the cost of attending a public university. In 2007, the maximum Pell grant only covered about one-third of the costs at a public four-year college. By the time it reaches the new maximum under the act in 2012, it will still likely only cover about one-third of the cost of college because tuitions are likely to have risen faster.

With state spending at a 25-year low, we no longer help students afford college; we simply help them go into debt for college.



years. The act was heralded as a major improvement, but its impact on college access will be negligible. Behind the lofty rhetoric are modest improvements at best: the law increases the maximum Pell grant by about \$500 each year over the next five years, to \$5,400 in 2012. The act also creates an income-based repayment system that caps the amount student borrowers would pay on their loans to 15 percent of their discretionary income (discretionary is defined as any income above 150 percent of poverty, or about \$15,000 for a single individual). Finally, the law reduces the interest rate charged on certain new student loans, cutting it in half by 2012. These improvements are paid for by reducing the subsidies



THE DISAPPEARING "REAL JOB"

The term "real job" used to mean the first job you got after completing school. A real job allowed you to pay rent, buy groceries, make car payments, and have enough left over for spending money. A real job also came with fringe benefits such as health care and some type of retirement savings plan. Today's 20- and 30-somethings are discovering that real jobs are hard to come by in reality.

Incomes for full-time workers aged 25 to 34 are lower today than they were a generation ago, except among work-

difficult than it was a generation ago. The well-paying middle-management jobs that characterized the workforce up to the late 1970s have been eviscerated. Corporate downsizing in the 1980s and 1990s slashed positions in the middle of the wage distribution, and now outsourcing threatens to take millions more. And unions, which also helped facilitate upward mobility particularly for those outside the professional ranks, have been pummeled by illegal management tactics and government failure to enforce the right to organize. The same

card debt than those who were that age in 1989. Young adults between the ages of 25 and 34 are also deeper in debt. In 2004, 25- to 34-year-olds averaged \$4,358 in credit card debt—47 percent higher than it was for baby boomers who were in that age group in 1989. Additional survey research conducted by Dēmos of low- to middle-income households found that in 2005 the average indebted adult under age 34 had slightly more than \$8,000 in credit card debt. According to these households, the most common reasons for their credit card debt were car repairs, loss of a job, and home repairs. Forty-five percent of those under age 34 reported using credit cards in the last year to pay for basic living expenses, such as rent, mortgage payments, groceries, and utilities.

The rise in credit card debt, coupled with the surge in student-loan debt, is the main reason why today's young adults are spending much more on debt payments than the previous generation. On average, 25- to 34-year-olds spend nearly 25 cents out of every dollar of income on debt payments, according to the Federal Reserve's data. That's more than double what baby boomers of the same age spent on debt payments in 1989. The fact that young adults are already spending a quarter of their income on debt is particularly worrisome because most in the 25 to 34 age group aren't homeowners. So that 25 cents is going to non-mortgage debt: primarily student loans, car loans, and credit cards—making it harder to ever become homeowners.

HIGH-COST HOUSING

The average person now leaves his or her parents' home at the age of 24. But four out of 10 young people will end up circling back to their parents' home at least once after leaving. Most grown-ups do not look forward to continuing to live with their parents. A prime reason for these "boomerang kids" is that housing costs have risen faster than inflation and faster than entry-level wages. For college graduates, big cities are still the best place to go for launching a career. But chasing a good job comes with a steep price. Between 1995 and 2002,

If a sustainable new progressive majority is to be built, the economic insecurity of the Millennials must be taken seriously.

ers with college degrees. Among young workers without college degrees, young women's earnings have remained relatively flat, while young men's earnings have declined considerably. Young males with high school diplomas are earning 29 percent less than they did in 1974, with young black men experiencing the steepest drop in incomes. Unemployment among young men of color is particularly high for this generation, with half of black men in their 20s jobless in 2004, up from 46 percent in 2000.

The paycheck decline experienced by this new generation of young workers can partly be explained by the disappearance of manufacturing jobs that offered good wages for workers without college degrees, and the proliferation of low-wage service-sector jobs in their place, with no public policy for professionalizing those jobs or helping unions to organize them. In addition to lackluster wages, these jobs offer little room for advancement and few, if any, fringe benefits. Today, about 29 percent of young adults—a full 18.2 million 19- to 34-year-olds—don't have health insurance, making this the age group with the largest percentage uninsured.

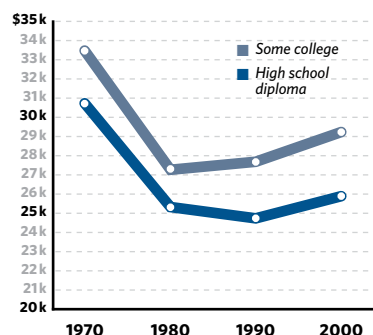
In addition to often working in a benefit-free zone, moving up the wage or career ladder in the new economy is more

government has allowed corporations to misclassify permanent jobs as contract work, denying employees other hard-won legal protections.

GENERATION DEBT

Between college debt and the spillover effects of lower earnings amid a higher cost of living, credit card debt has become a new rite of passage into adulthood. It's not exactly the kind of generation-defining characteristic one wishes for, but debt is perhaps the one shared experience of this diverse generation. Young adults between the ages of 18 and 24 have 22 percent higher credit

**A Generational Decline:
Annual earnings of 25- to
29-year-olds (in 2005 dollars)**



SOURCE: THE STATE OF WORKING AMERICA, 2006/2007
ECONOMIC POLICY INSTITUTE

median rents in nearly all the largest metropolitan areas rose by more than 50 percent. Median rents in San Francisco ballooned by 76 percent; Boston, 61 percent; and Denver, 62 percent. And the last five years haven't been any kinder to renters.

First-time homebuyers have also become particularly vulnerable in the wake of rapidly rising home prices and a deregulated mortgage market. In 2006, the National Association of Realtors reported that 43 percent of first-time homebuyers purchased their home with zero money down. Many are financing 100 percent of their homes and taking out massive mortgages that eat up as much as half of their income. An unregulated mortgage industry has unleashed a tidal wave of "innovative products" designed to bilk new homeowners with extra fees, points, and complex pricing schemes that can spell disaster for the unwary—as the sub-prime meltdown continues to demonstrate. As a result of surging home prices and lower down payments, the typical monthly mortgage payment of a young homeowner is one-third larger than it was in 1980.

THE PERILS OF PARENTHOOD

For middle-income families, the cost of raising a child born in 1960 to age 18 was \$155,141 (in 2003 dollars). Four decades later, the cost of raising a child born in 2003 to age 18 rose to \$178,590—a 15 percent increase.

Why does it cost more today to raise a child than it did back then? You might look around at all the techno toys and frivolous clothing in parents' magazines, but the real culprit is child care and health care. Today the average two-parent family with two children under age 5 spends 11 percent of its budget on child care—up from only 1 percent in 1960. Paying for a child's health care eats up significantly more of the budget too, absorbing 7 percent compared to 4 percent a generation ago.

Limited subsidies are available to help lower-income parents, mostly single women transitioning off welfare, pay for child care. But income limits are too low for moderate or middle-income families

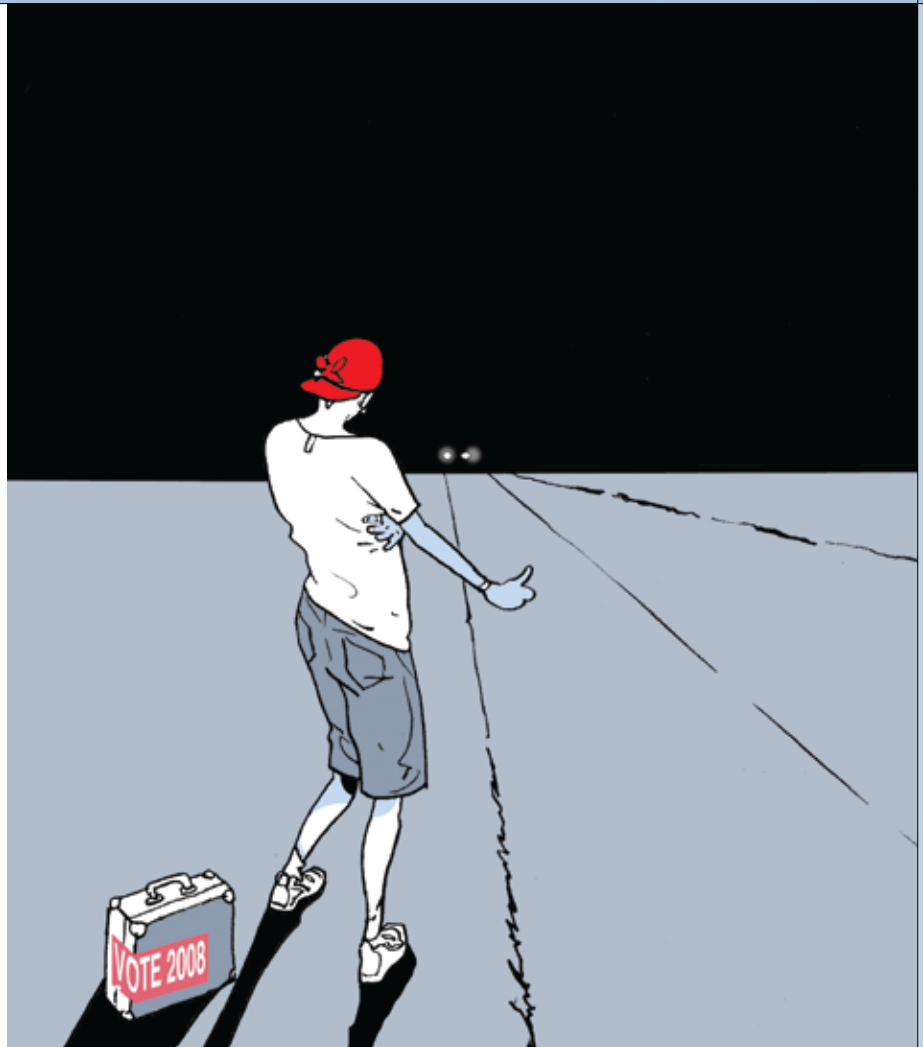
to qualify. As a result, child care remains one of the biggest expenses in a young family's household budget, often second only to the mortgage or rental payment. Having access to nurturing and developmentally sound day care for infants and toddlers is something young families can take for granted in virtually every other developed nation in the world. But in our society it's something only the most well-off can procure.

IF PROGRESSIVES WANT TO WIN THE YOUTH vote and begin building a sustainable new progressive majority, then it's time to take the economic insecurity and downward mobility of today's young people seriously. The economic concerns facing young people should be the backbone of the promise to strengthen the middle class and create more opportunity. The reality is that it has become much more difficult for this generation to

either work or educate their way into the middle class. It's a reality their parents and grandparents are witnessing firsthand. It's a reality few politicians talk about but most Americans understand.

Creating a broader, stronger, and more inclusive middle class demands new public policies aimed at young people just starting out. Right now they have the most to lose. With the right mix of politics and real policy change, they could have the most to gain. This *Prospect* special report, co-sponsored with Dēmos and underwritten through the generosity of the W.K. Kellogg Foundation, provides a blueprint for both the policies and the politics. **TAP**

Tamara Draut is director of the Economic Opportunity Program at Dēmos and author of Strapped: Why America's 20- and 30-Somethings Can't Get Ahead.



A New Deal of Their Own

*Social policy once helped the young join the middle class.
Today, government aid is mainly for the elderly and the poor.*

BY PAUL STARR

AMERICA DOES NOT DO WELL BY its young. For years government data and social-science research have demonstrated persistently high levels of poverty and related problems among children. In a UNICEF study last year measuring the well-being of children and adolescents in 21 rich countries, the United States ranked next to last. According to U.S. Census Bureau data, 17 percent of children in 2006 were growing up in families with incomes below the poverty line—just about the same proportion as in the 1970s.

What's less widely appreciated is that the problems afflicting children now extend into young adulthood. For roughly 30 years after World War II, young workers shared in economic growth, but since the 1970s they've lost ground. In 1967, according to research by Andrew Sum and his colleagues at Northeastern University, young men ages 18 to 24 who were employed full-time earned 74 percent as much as men 25 years of age and older, but by 2004, they were making only 52 percent as much. Young workers, especially if they haven't gone to college, are now also less likely to find long-term, stable jobs with health insurance and other fringe benefits; partly for that reason, many are taking longer to start families, as Sheldon Danziger and Cecilia Rouse point out in the introduction to *The Price of Independence*, a new book on the economics of early adulthood. Between 1973 and 2004, median real weekly earnings dropped 27 percent for young men and 9 percent for young women.

The persistent problems affecting children and the deteriorating economic position of young adults stand in contrast to the historic improvement in the well-being

of the elderly during the same period. As late as 1965, 30 percent of the elderly lived in poverty. But in good part due to public policy—particularly the growth of Social Security benefits and the introduction of Medicare and its continued expansion, most recently in prescription-drug benefits—the proportion of seniors in poverty has been cut by two-thirds, dropping to 9.4 percent in 2006.

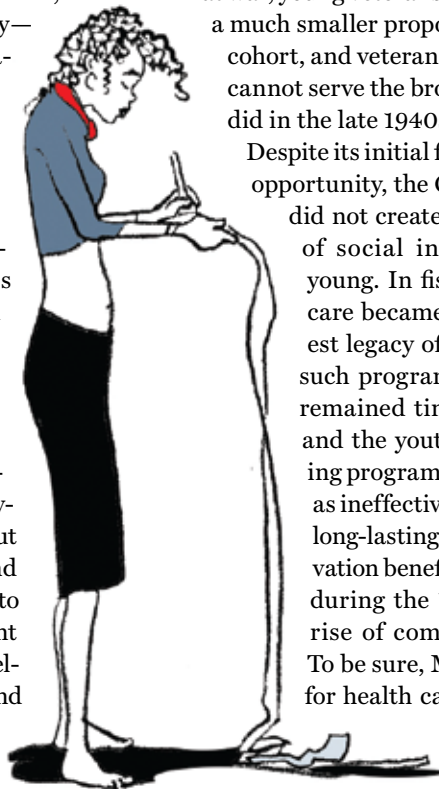
As this contrast suggests, the difficulties facing the young generally—both children and young adults—are the result of long-standing limitations in social policy whose effects have been aggravated by recent changes in the economy and the family. The three great waves of social reform since the 1930s—the New Deal, the post-World War II GI Bill, and the Great Society—failed to establish durable policies in support of the young.

The New Deal did provide some assistance targeted to young adults, such as jobs in the Civilian Conservation Corps and the National Youth Administration and the provisions of Social Security that were originally conceived as aiding widows and their children. The youth employment programs were shut down between 1940 and 1945, however, and Aid to Families with Dependent Children evolved into welfare for single mothers and was cut back sharply in the 1990s. The survi-

vors' benefits in Social Security do represent an important source of support for children at risk of a collapse in their family's living standards. But, particularly in fiscal terms, the greatest legacy of the New Deal is old-age pensions.

The GI Bill, in contrast, was targeted primarily to young adults. Educational assistance, home loans, and health care for veterans after World War II provided a great boost to the generation that came home from the war. And because spending for primary and secondary schools also jumped during the baby boom, social expenditures overall had a strong tilt in favor of the young. By its nature, however, the GI Bill was temporary; even though the United States has since been at war, young veterans have represented a much smaller proportion of their age cohort, and veterans' programs today cannot serve the broad purposes they did in the late 1940s.

Despite its initial focus on economic opportunity, the Great Society also did not create a durable source of social investment in the young. In fiscal terms, Medicare became the single greatest legacy of the 1960s, while such programs as Head Start remained tiny by comparison and the youth-oriented training programs were eliminated as ineffective. If there was one long-lasting educational innovation benefiting young adults during the 1960s, it was the rise of community colleges. To be sure, Medicaid has paid for health care for many children of the poor, but two-thirds



of Medicaid expenditures have actually gone for nursing homes for the elderly.

The result of these developments has been a change in the generational impact of social spending. Instead of the focus on the young in the period after World War II, social spending has shifted increasingly toward seniors. Young workers have also acutely felt the impact of the declining real value of the minimum wage and unemployment benefits. And whereas Social Security and Medicare are entitlements, spending programs targeted to the young have been discretionary and consequently more liable to retrenchment in economic downturns.

Through their payroll taxes young workers help support Social Security

most recent Census Bureau estimates, while 15.8 percent of the overall population is uninsured, 29.3 percent of 18- to 24-year-olds have no coverage, and the rate is almost as high (26.9 percent) among 25- to 34-year-olds. Altogether, adults ages 18 to 34 represent 40.4 percent of the 47 million uninsured.

The reasons for this problem are not obscure. As children, Americans typically receive coverage via their parents, and as adults from their own or their spouse's employer. The peak probability of being uninsured comes around age 23 when many have lost their parents' coverage without gaining their own. And the number of uninsured young adults is going up because the proportion of

rising health costs threaten to tilt expenditures against the young even more in the future.

So how can we reverse the damage to the interests of young adults from the legacies and trends of public policy? Health-care reform is essential for returning social expenditure to its function as social investment. It is crucial on two counts—first, as a method of paying for health care for the young, who are relatively cheap to insure; and second, as a general means of cost containment so as to prevent health care from draining away revenue from other social needs.

Beyond health care, however, the GI Bill may provide the most relevant model. It was the one concerted effort in recent history to focus public resources on expanding opportunity for young adults, and it had a big pay-off in postwar prosperity. The country was willing to support generous benefits for veterans and their families because they had made sacrifices and plainly weren't getting something for nothing. The program was premised on a norm of reciprocity—benefits in exchange for service—though for that very reason, it wasn't universal.

The challenge in creating a durable basis for social investment in the young is to reconcile these two ideals—universality and reciprocity—recognizing that as children become adolescents and then young adults, it's appropriate to premise some benefits on their efforts. An expanded program of college tuition grants in return for volunteer service, whether in the military, AmeriCorps, or other institutions, is a good example of that kind of approach, but far more could be done to develop a system for the young to earn support through national or local service than the relatively modest proposals currently under discussion.

America's young adults are not just passive victims; they can be a force in their own right, and if they have the opportunity to use their energies and talents for the public good, they can contribute to an American revival. After all, it's not just about what the country owes them; nearly half a century after John F. Kennedy, the right question is still what all of us can do for our country. **TAP**

Public spending on the young represents investment in human capital, and provides a broad return for the whole society.

and Medicare, and they have every right to expect those programs will be there for them when they retire. But, in the meantime, they need a New Deal of their own that addresses their needs for both opportunity and security.

The historic shift in the distribution of expenditures isn't just a matter of the interests of different age groups. Much public spending on the young, particularly in education and health care, represents investment in human capital and provides a return in economic growth with broad benefits for the entire society. But in recent decades, education spending has been virtually flat as a percentage of national income, and though health-care expenditures have grown dramatically, the young have not been the principal beneficiaries. In economic terms, social spending has shifted from investment to consumption.

One notable exception to this pattern has been increased health coverage of children through Medicaid and the State Children's Health Insurance Program adopted in 1997. But young adults are another matter; they are the age group in the United States most likely to go without health insurance. According to the

entry-level jobs providing health insurance is going down.

There is a parallel trend in higher education. Like health-care costs, college tuition has been rising far more rapidly than overall inflation, and a failure to bring public policy into line has left young adults to bear the burden. For example, the maximum Pell grant, which covered nearly three-quarters of tuition costs at a four-year college in the early 1970s, now covers only one-third (and only about one in five recipients receives the maximum). At the state level, tuition at public institutions has risen sharply partly because other services, notably health care and prisons, have claimed a growing share of state budgets. (Prison construction is also a form of spending targeted primarily to young adults—but with dramatically different implications for economic growth and social mobility from the schools and college campuses that states were building in the 1950s and 1960s.)

What is especially disturbing about these trends in public spending is that no built-in dynamic is going to restore social investment in the young. On the contrary, the aging of the population and

Progressive Re-Generation

At times in American political history, young generations have formed lasting ties to parties and ideologies. Is 2008 one of those times?

BY BEN ADLER

CHARISMATIC LEADERS AND TIDAL shifts in public policy have always shaped the party allegiance and policy preferences of generations that come of age at critical moments. After enduring the Depression, the Greatest Generation developed a commitment to Social Security and Medicare and to a Democratic Party that delivered those programs. Conversely, people who first voted during the 1980s, when Ronald Reagan's anti-welfare and pro-warfare rhetoric was reshaping the political terrain, remain more Republican today than voters both older and younger.

2008 presents progressives with a similar mobilizing opportunity. The bumbling of the Bush administration, the corruption of the recent Republican Congress, and the economic insecurity of the post-industrial information economy has led young voters to reject the Republican Party in droves. "It's a Democratic-leaning generation at the moment," says nonpartisan pollster Scott Rasmussen.

Upon ascending to their leadership roles, one of the first things Democratic National Committee Chairman Howard Dean and House Speaker Nancy Pelosi did was to begin youth outreach programs in the hopes of gaining long- and short-term political advantage. Meanwhile, according to youth-vote experts, the Republicans have been surprisingly complacent about young voters. Ian Rowe, vice president of strategic partnerships and public affairs at MTV, who previously worked in the Bush administration, says, "The Democrats have just been doing more aggressive outreach so far." And Jane Fleming Kleeb, executive director of Young Voter PAC, which works with Democratic candidates to engage young people, wrote in an

e-mail, "It is fascinating to me how much the right has let their youth outreach go by the wayside."

In 2004 and 2006, favorable demographic trends, combined with some modest policy proposals and merely not being the Republicans, was good enough for the Democrats to carry the youth vote. And it may be so again this year. Fleming Kleeb predicts, "Reagan won with 59 percent of the youth vote, and today [Republicans] will be lucky to get 40 percent in the general election." But a robust embrace by Democrats of the concerns of young Americans would achieve even more for their party.

Young voters are becoming more engaged as well as more inclined to support Democrats. In 2004 voters younger than 30 were the only age demographic carried by John Kerry, and he did so by nine points, according to exit polls, compared to Al Gore's one-point advantage among that age group in 2000. In the 2006 midterm elections the Democrats did better among young people than among the general population. Democrats carried the youth vote by 20 points in House races and 27 points in Senate races, according to the Center for Information and Research on Civic Learning and Engagement (CIRCLE).

Between 2000 and 2004 turnout among 18- to 29-year-olds jumped from 40 percent to 49 percent of eligible voters, according to CIRCLE. And in the 2006 midterms it was 24 percent, up from 21 percent in 2002. The share of the electorate under age 30 increased from 11 percent to 13 percent between 2002 and 2006.

However, turnout percentages among young people still lag behind older population groups. To reshape the political land-

scape for years to come, Democrats would need to articulate a broad vision and set of policies that would redefine young Americans' relationship with government.

THANKS TO THE BABY BOOM ECHO, THERE are 43 million Americans between the ages of 18 and 29. And there are plenty examples of specific races where young people may have tipped the balance in 2006. In the Connecticut 2nd District, where Democrat Joe Courtney unseated Republican Rob Simmons by just over 100 votes, Courtney promised to make college affordability a top priority. Not coincidentally, in 2006 turnout increased at the University of Connecticut, which is in the 2nd district. In November, Courtney sponsored the Accessing College through Comprehensive Early Outreach and State Partnerships Act, which would help low-income students attend college.

And an April 2007 analysis by the Harvard Institute of Politics concluded that increased turnout among voters ages 18 to 24 in 2006 delivered two Senate victories: Jim Webb in Virginia and Jon Tester in Montana. This trend is continuing in the run-up to November 2008. Rasmussen Reports tracks monthly whether the public says it is more likely to vote Democratic or Republican in congressional races next fall. Young voters routinely favor Democrats by a solid margin and, on average, by a wider gap than the population as a whole.

THE EARLY PRIMARIES OFFERED MORE EVIDENCE that this could be a historic year in which youth turnout powers Democratic victories. In the Iowa caucuses participation by voters under 30 shot up, with

the gains overwhelmingly on the Democratic side. There were 52,580 Democratic caucus-goers ages 29 and under but only 12,650 young Republicans who caucused. This was partly a reflection of greater turnout for the Democrats generally, but 17- to 29-year-olds made up 22 percent of Democratic caucus-goers, while they were only 10 percent of Republican caucus-goers. Youth support for Barack Obama and, to a lesser extent, Mike Huckabee helped those candidates sustain their respective victories. Fifty-seven percent of young Democrats caucused for Obama; 40 percent of young Republicans caucused for Huckabee.

Likewise, youth turnout skyrocketed in New Hampshire. Forty-three percent of eligible voters under 30 voted in that state's primary, more than twice the 18 percent who voted in 2004.

The disparity among Democrats and Republicans was smaller. Voters under 30 accounted for 18 percent of Democratic voters and 14 percent of Republican voters. That's up from 14 percent and 11 percent for young Democrats and Republicans in 2004 respectively.

In South Carolina Obama won 67 percent of young voters, compared to 55 percent overall. Whites under 30 were the only white age demographic Obama carried. On Super Tuesday, Obama won the young white vote in many states where Clinton won older whites, such as in Georgia and New York. He carried the youth vote in all but three states. And he lost Massachusetts youth by only a point, while losing the state by 15 points overall. In some states, Clinton did win young whites, in Tennessee, for instance. She also, notably, won young Latinos in California by a wider margin (67 percent to 32 percent) than Obama won young whites in California (62 percent to 33 percent).

So while there is greater enthusiasm for Democrats than Republicans among voters of all ages, young people are clearly leaning more heavily Democratic and young Democrats are more enthusiastic

about their candidates. The reasons are both ideological and demographic. While Democrats are doing well among youth in lily-white Iowa and New Hampshire, they are also benefiting nationally from the greater diversity of young voters.

Consider the Harvard Institute of Politics online survey of 18- to 24-year-olds from December. Democrats actually continue to trail Republicans very slightly among whites in that age group, 29 percent to 31 percent. But with an unprecedented 40 percent of whites in the survey identifying as independent there are plenty of young white voters up for grabs. And many of those young independents, like independents generally, are leaning Democratic at the moment.



Year of the Young Voter? College voter-registration drive at the University of Alabama, Birmingham

Just as importantly, Democrats trounce Republicans among young racial and ethnic minorities, all of whom are growing as a percentage of the electorate. They lead among African Americans, not surprisingly, by 52 percent to 4 percent; and among Hispanics 46 percent to 22 percent. Most interesting, though, is their lead among young Asian Americans in the survey, 47 percent to 15 percent. Asian Americans have not always been a Democratic constituency. As recently as 1992 they favored the Republican presidential candidate. But they have been trending more Democratic with each consecutive election, swinging strongly for John Kerry in 2004.

Betsy Kim, a 44-year-old Korean

American who works on outreach to communities of color for the Democratic National Committee, says that her parents' generation of Asian Americans were attracted to Republicans because of their hawkish anti-communism (many were refugees from Vietnam or Korea) and Republicans' pro-business rhetoric. But younger Asian Americans, Kim says, emphasize access to higher education. And like young Latinos, who are becoming a potentially decisive constituency in states like New Mexico and Nevada, they are turned off by Republicans' anti-immigration rhetoric.

Yet the Democrats would be foolish to assume that advantage will translate into an automatic payoff at the ballot box.

Asian Americans, like Latinos, usually vote in relatively low numbers. To mobilize young Latinos and Asian Americans will require unprecedented outreach, in ethnic media and in their native languages.

FOREIGN POLICY ALSO PRODUCES an immense advantage for Democrats to capture the affections of younger voters. In the words of Rasmussen, "everything bad for the Republicans in this next election starts with Iraq." While young people tend to cite Iraq as the No. 1 issue (it led with 28 percent in the November 2007

Rock the Vote poll of 18- to 29-year-olds), the meaning is the opposite for liberals and conservatives. To many young conservatives, the Ron Paul fans obviously excepted, the important thing is picking a president who will stay in Iraq, not one who will withdraw from it.

The issues young people rank the second through fourth most important demonstrate the more pervasive leftward shift of young people. In the Rock the Vote poll, young people cited health care as the second most important issue at 22 percent, with the economy and education (which includes the cost of education) following at 14 percent and 13 percent respectively. When you add those three together you find that 49

percent put some kind of domestic issue that has traditionally favored Democrats as their No. 1 issue.

These concerns are driven by a very real feeling of personal economic insecurity. For instance, the Kaiser Family Foundation, a nonpartisan institution that researches health care, found that 42 percent of young people are very worried about being able to afford the health services they think they need. Only 30 percent of those 50 and older share that sentiment.

Perhaps the best way to take the pulse of young Americans on an issue is to look at social networking Web sites where they spend massive amounts of time. Facebook demonstrated the intense youth support for Barack Obama over a year ago when the group One Million Strong for Barack Obama started picking up thousands of new members each day.

Likewise a perusal of Facebook groups, most with hundreds or more than a thousand members, on the health-care issue shows more than 20 that advocate some form of expanded government provisioning of coverage. But only three groups that actually oppose universal health care exist, all of them with just over 100 members at the time of this writing. According to Kaiser, 56 percent of young people say they want presiden-

omo. He just felt strongly that “anything is better than our current system.”

So for the Democrats to reap the full benefit of young America’s inchoate policy preferences it will require a massive effort to convince youth voters that just because a Republican sounds like he cares about a problem doesn’t mean he will improve it much with a “market based” plan. Whether Democrats can convince young America of this proposition will likely hinge as much on communication skills and strategy as the objective facts of the matter.

But this much can be said: The traditional conservative response to problems ranging from health care to global warming would not gain much traction with young people at the level of broad, general principles. Polls from organizations like Rock the Vote, the Pew Research Center, and the Harvard Institute of Politics all confirm that young people are more likely than the general population to believe that government can and should solve social problems. While young people may show anemic approval ratings for both the president and Congress, or a cynicism about the political elite, these views have not translated into a distrust of government or an aversion to expanding governmental intervention.

Voting skyrocketed this year among the 43 million Americans aged 18 to 29.

tial candidates to present a plan that would provide health insurance to all or nearly all of the uninsured, even if it that means a substantial increase in government spending.

At the same time, young people’s views on the details of how to address these problems may be very malleable and short on details. For example, Dan Buonomo, 21, an independent and a Southern New Hampshire University student said at John McCain’s MySpace/MTV presidential forum on his campus that he was won over to McCain in part by his health-care plan. McCain proposes tax credits and deregulation to increase affordability. The actual particulars of McCain’s plan weren’t necessarily what impressed Buon-

“We’ve seen that while young adults are pretty skeptical about today’s politicians, they are very supportive of the idea that government should help those in need or alleviate social or societal problems,” said Kat Barr, research director for Rock the Vote. “They tend to agree that government should do more to address issues like global warming or the economy more than older voters.”

Another example might be the genocide in Sudan. Young people have organized on and off campus from the left and right wings to take direct action, such as getting their schools to divest in holdings in Sudan as well as lobbying the federal government to be more involved in stopping the bloodshed.



HOWEVER, IT WOULD BE PREMATURE FOR the Democrats to start writing their inaugural addresses on the basis of the youth vote. Unfortunately for the Democrats, their party has yet to lock in the latent support so clearly demonstrated by the polling data—because Democrats have not yet demonstrated a capacity to deliver solutions. For example, when asked why young people are trending Democratic, Alexandra Acker, executive director of the Young Democrats of America, identified “this feeling of, ‘if we were lucky enough to go to college, do we have the resources to pay off our debt, have health insurance?’” Acker added, “They’re seeing the interconnectedness of these issues. College affordability is connected to economic insecurity, which is connected to health-care costs.”

But are the Democrats bringing these issues together? Often on the campaign trail it seemed that Democratic front-runners Hillary Clinton and Barack Obama talked about these issues as if they were in separate silos. John Edwards’ stump speech was a broad, progressive economic pitch but in an angrier, anti-corporate tone that did not resonate with the college students and



young college-educated professionals who overwhelmingly supported Obama in the early primaries.

Democrats, it seems, are not fully capitalizing on young people's economic anxiety to build support for expanded social investment among the rising generation. After the ABC News/Facebook presidential debates of Jan. 5, Facebook members were asked in an online poll which issue they wish the Democrats had spent more time discussing, and economic concerns prevailed. "The economy" was first by a wide margin, and health care came in third, after the environment. Even more striking, in a recent poll taken on Facebook, 76 percent of respondents said they were worried about their "economic outlook." However, when Democrats are asked what they are doing to ameliorate this economic insecurity among the young, they tend to talk about some pretty small-bore accomplishments such as raising Pell grants by a few hundred dollars and the minimum wage by a few dollars an hour. These are real accomplishments, but they constitute no paradigm shift in the American social contract.

A particularly key area of economic

insecurity for many young Americans is the cost of higher education. According to the College Board, average tuition has risen faster than inflation for each of the last 11 years. For the 2006–2007 academic year average tuition at a private college topped \$30,000 for the first time ever.

Except for the occasional effort by a conservative like Rep. Buck McKeon of California to publicly shame the most expensive colleges through an annual list (arguably as much about attacking academia as about holding down college costs), Republicans did little to nothing to combat the problem during the six years in which they controlled the White House and both houses of Congress.

The Democrats demonstrated the potency of young people—and their parents who help pay tuition—as a constituency in 2006. They made college access for all a core plank of their "Six in '06" agenda, including increasing Pell grants and reducing the interest rate students pay on their educational loans. Upon their election they passed those provisions into law.

But that hardly went far enough. When House Speaker Nancy Pelosi and Education and Labor Committee Chairman George Miller went to Howard University

in Washington, D.C., to unveil their progress report on the 110th Congress' "New Direction for Young Americans," they were warmly received but also aggressively questioned about how they would fix remaining issues with the cost of education, such as exorbitant textbook prices.

The Democratic presidential candidates all put forth proposals to address college cost more aggressively. But in their speeches, if they mentioned it at all, they did not effectively tie the debt burden into the larger, daunting prospect of trying to afford middle-class prosperity that preoccupies so many young people.

Republican proposals on college cost and tying additional benefits to participating in national service programs like AmeriCorps tended to be more modest, when they even existed. So Democrats may get away with not offering much tuition relief and still have a partisan perceived advantage on the issue. But will proposals like Hillary Clinton's \$3,500 annual tuition tax credit create a generation loyal to the party that put them through college? They might win a 20-year-old's vote with that now, but five or 10 years later, \$3,500 might seem to be less than they stand to save

from a Republican's proposed tax cut.

Ironically, Republican Mike Huckabee may have done the best job of expressing the economic anxiety of middle-class Americans, perhaps explaining why he did better among young Republicans than he did overall in the crucial Iowa caucuses, though Huckabee is short on specifics, too.

THE ECONOMY HAS FAMOUSLY PLAYED TO Democratic advantage, notably in 1992, when Bill Clinton parlayed voters' pocketbook concerns into electoral success. The Republicans' trump has invariably been cultural conservatism. But this year, cultural conservatism does not seem to outweigh economic or foreign policy, particularly for young voters beyond a religious-right minority.

From talking to young Republicans during the primary process it was apparent that many are uninterested in candidates who make social conservatism central to their pitch even if they share some of those positions. Even the most socially conservative major candidate, Mike Huckabee, emphasized the issues he knew would appeal to young people rather than his intense opposition to abortion rights or gay rights. When stumping in front of young audiences Huckabee waxed poetic on the impor-



Dream affordable are the right ones.

As Howard Dean pointed out in his speech to the Yearly Kos convention last August in Chicago, the likelihood that one will vote, and vote for a given party, is largely locked in during a new voter's first few elections. Dean has embarked on a strategy of bringing young people into the Democratic Party, through outreach efforts like requiring a proportional representation of young delegates at the 2008 Democratic National Convention from each state.

up to the Feb. 5 primaries, Obama subtly shifted his message to focus more on economic issues. This more aggressively liberal posture did not seem to harm Obama at all among young voters.

WHAT DOES THE PRESIDENTIAL CAMPAIGN portend to date? Young people, when asked why they supported Obama tended to offer ambiguous explanations like his promise of change or his unifying persona. By contrast, Edwards' full-throated populism left him doing worse among young Democrats than Democrats as a whole. The only challenge to Obama among young voters came from Clinton, who appealed to some in New Hampshire by touting her record and proposals on education and health care.

But that didn't last long. In the following primaries Obama once again widened his youth lead over Clinton in Nevada and South Carolina. Nonetheless, among all young people Clinton remained the second most popular presidential candidate in either party, suggesting that either Democrat would enter the general election with a strong advantage among young voters. However, it remains to be seen whether a Clinton victory would leave at least some Obama supporters deflated and disaffected.

John McCain, as the presumptive Republican nominee, could conceivably pose a challenge to Democrats among

The party that captures the economic allegiance of young voters this year could create another New Deal generation.

tance of artistic education and the joy he derives from playing in a rock band—very different from the sort of address he gave to the much older attendees at the Family Research Council's Voter Values Summit.

The sharp political minds in both parties know that for a generation shaped by the attacks of September 11 and an era of vanishing middle-class economic security, the culture wars are dead, at least among swing voters. Both parties and their candidates will seek to appeal to young voters by convincing them that their approaches to fighting terrorism and making the American

But the paradigm shifts in a generation's party allegiance and attitudes, from New Deal Democrats to young Reagan Republicans, were as much about articulating and achieving a different vision for government as they were about outreach and infrastructure. Democrats need to learn from Reagan's delivery of ideology with hope rather than anger.

Obama won the youth vote in most primaries while offering the least ambitious domestic agenda on some issues, like health care, though he is a fervent advocate of better housing and education policy and a vocal proponent of civil rights. In the run

young voters. Young people are disproportionately likely to be independents, a group McCain did well with in open primaries thanks to his maverick image. He also did better among Republican voters who were anti-war, pro-choice, and dissatisfied with the Bush administration, despite his staunch support of the Iraq War and opposition to abortion rights. College newspaper editorial boards almost unanimously endorsed him for the Republican nomination.

But he did not do particularly well among young Republicans in the primaries. Though he carried them, he did so by no greater margin than he won overall. In fact, his support skewed old. The two Republicans who pulled disproportionately young support were Ron Paul and Mike Huckabee. Paul's supporters typically cited his opposition to the Iraq War as a primary reason, while some of Huckabee's talked about his empathetic noises on education and the economy—two issues McCain seems ill at ease discussing.

Thus far Obama has demonstrated in presidential politics what Dean did in party identification and Pelosi did in the congressional midterms: Young people, like any constituency such as evangelicals or Latinos, will be won over and excited to turn out in large part by whoever pays them the most attention. Throughout the primaries Obama put more emphasis than his rivals did on young-voter outreach. He spoke more frequently on college campuses throughout the campaign. In Iowa and New Hampshire he began every speech by bringing out his young, local organizers and segueing into how as a young man he worked as an activist. But after Obama's big Iowa win, Clinton subtly changed her tactics to emphasize youth bread-and-butter issues, and Obama carried the youth vote by a smaller margin in New Hampshire.

"Clinton saw Obama's youth margins in Iowa and went after a group within the youth demographic they knew they could get—young women and working-class young people," Fleming Kleebe of Young Voter PAC said in an e-mail. "I think in the last few days of the campaign Clinton was able to appeal to working-class young people with her message of Obama living

in the clouds [while] she is working in the trenches." Exit polls showed Obama being named far more often than Clinton as the candidate who could best unify the country, while Clinton won voters who said the economy was their most important issue.

The challenge for the Democrats will be to combine Obama's ability to transcend partisanship with the muscular progressive economic message of Clinton and Edwards. So the interplay of young voters' economic anxieties and the parties' proposals to engage them in this election cycle could help redefine Americans' relationship with government for years to come. Will the Republicans move to the center on young voters' concerns and propose expansive economic policies? Mike Huckabee's ambiguously populist rhetoric notwithstanding, his policy proposals do not give much reason to think so, nor do his compatriots in the Republican Party.

The Democratic Congress has ad-

vanced only modest proposals to make middle-class security within reach for more Americans, especially young ones. However, the presidential contenders all put forth more aggressive, though by no means radical, proposals, such as universal health care and a "living wage" that should be well-received by the majority of young Americans.

If the Democrats, from the presidential level on down through the congressional leadership to individual members, pull those threads together into a new social contract, they could create another New Deal generation. But whether they will seize the opportunity remains an open question. **TAP**

Ben Adler is a staff writer for Politico, where he primarily covers youth politics. His writing has appeared in Newsweek and The Washington Monthly among other publications.

Big Vote On Campus

Progressive groups increase their focus on colleges—and not just the usual suspects.

BY KATE SHEPPARD

IN 2004, KEVIN KILLER WATCHED AS his fellow Oglala Sioux Tribe members were turned away at the voting booth in South Dakota when poll volunteers misconstrued new voter identification procedures and rejected tribal identification cards. A Denver native, Killer was volunteering for Democrat Stephanie Herseth's bid for the House of Representatives in a special election, on the Pine Ridge Reservation where his father had grown up. But it was watching that systematic disenfranchisement that really politicized him.

"I couldn't believe it was still going on in 2004, especially to my own people," Killer says. "They don't have money to give to campaigns. All they have is their vote to give, and for them to get turned away, why should they have faith in the system?"

Killer, now 28, decided to take time off from school at the University of Colorado in Denver to be a field organizer for Tom Daschle's senatorial campaign, working in Native American outreach on Pine Ridge. He brought other youth from the reservation on board with the campaign, going door to door to educate and mobilize voters in their community.

"Since we were much younger than the people we were talking to, we held them responsible," Killer says. "We said, if we're this young and we're voting, then you should be voting. It's all of our futures."

Though Daschle narrowly lost reelection, turnout on the reservation increased by 50 percent in 2004, in large part because of the door-to-door work of Killer and his peers. Working on the campaign on Pine Ridge convinced

RECLAIMING THE SOAPBOX

Campuses push for open campaign events.

College campuses, presumably sanctuaries for rigorous intellectual debate, are at risk of becoming props on the presidential campaign trail. Typically, campaigns meticulously guard these events, limiting attendance to invitation-only crowds that aren't likely to confront the candidate with tough questions, much less protests. But professors at one Pennsylvania college are leading a national effort to unite campuses in demanding open events, telling candidates that if they don't want democratic discourse, they can take their event elsewhere.

In November, faculty at Allegheny College in Meadville, Pennsylvania, launched the Soapbox Alliance, an initiative that encourages colleges and universities to create open-event policies for political campaigns, with at least half of the tickets to these events made available to the college for general distribution. The alliance, the faculty members hope, will force campaigns to open up their events if they want to hold them on campuses. They also hope it will help colleges live up to their stated missions of promoting discourse and engaging students.

"Closed events are fine, so long as they don't take place on college campuses," said Dan Shea, director and founder of Allegheny's Center for Political Participation and of the Soapbox Alliance. "Our job is to promote genuine debate, and closed events are antithetical to that mission."

Allegheny, a small liberal arts school with 2,100 students, experienced this problem firsthand in October 2004, when Dick Cheney's vice-presidential campaign asked to use the college's gymnasium for a campaign stop just a month before the election. The campaign wanted to distribute all of the tickets to the event to Bush/Cheney supporters through the local Republican Party and the campus' College Repub-

licans chapter. Since the college didn't have a policy in place regarding campaign stops and feared appearing partisan if it refused to host the event, they were forced to comply with the campaign's request or lose the event.

On the night of Cheney's visit, though several hundred boisterous protesters were gathered outside the gym, inside, Cheney was greeted by a sedate crowd of devoted supporters—angering many on the campus and furthering skepticism among students about the political process. "Young folks are cynical about phony events. One of the things that has pushed them away from politics is distrust in the authenticity of events," Shea said. "When candidates come to their campuses and hold these phony town hall meetings, it drives that cynicism."

So, in 2005, Allegheny changed its policy to require campaigns to allow the college to distribute half the tickets. Now Shea and the Soapbox Alliance are pushing for others to adopt similar policies. To date, seven colleges have



agreed, including the University of Dubuque in Iowa, a school that several candidates visited during the primary campaign. The Soapbox Alliance hopes to bring more colleges on board as the 2008 campaign goes into full swing.

"Open candidate policies can only work if most schools get on board," Shea said. "If Allegheny says no to a closed event, they'll just go down the road. So we've all got to come together." **TAP**

—KATE SHEPPARD

Killer that he should transfer to Oglala Lakota College, the local tribal college, where he could continue mobilizing the young adults who make up more than half the reservation's population. The college includes 1,500 students on 10 small commuter campuses spread over a reservation about the size of Connecticut, and its students experience daily the reservation's troubles, including a 75 percent unemployment rate. Killer needed to work a part-time job at Pizza Hut to attend the college, which offers far fewer political resources than larger schools.

But more progressive groups are now recognizing the value of supporting young people on nontraditional campuses. In 2006, his organizing work at Oglala Lakota won him a fellowship from Young People For (YP4), a division of People for the American Way that provides leadership training, career coaching, and financial support to 200 students each year who have demonstrated progressive leadership skills.

As YP4 is proving, investing in students like Killer and offering them those tools can go a long way on both community college and nontraditional campuses and the surrounding community. A stipend from the fellowship allowed Killer to serve as the Native American outreach director for South Dakotans Against Discrimination, where he led other young adults on the reservation in mobilizing against a 2006 ballot initiative banning same-sex unions. Though the initiative passed, Shannon County, which is 94 percent Native American and encompasses most of Pine Ridge, accounted for the largest percentage of "no" votes in the state, largely because of the get-out-the-vote work on the reservation.

The YP4 fellowship is one of several programs for campuses like Killer's that are traditionally outside the scope of progressive organizing efforts. YP4 has been increasing the number of fellowships to students from tribal schools, community and commuter colleges, and historically black institutions, building a progressive movement that better reflects the country. While Killer was the first fellow from a tribal college, the incoming YP4 class for

BILL OWEN

2008 includes eight students from tribal schools, as well as 17 fellows from community college campuses.

Thirty-four percent of the students at community colleges are minorities, accounting for 57 percent of all Native American students in college, 47 percent of Asian and African American students, and 55 percent of Latino college students. Thirty-nine percent are from the first generation in their family to go to college, and the average age of students on these campuses is 29. Eighty percent are working full- or part-time jobs, and 17 percent are single parents.

Unlike their peers at four-year schools, these students don't have a lot of time for activism. They can't take the unpaid internships that are often the entry point for young people hoping to work in politics. Fellowships allow these students to become activists and help develop the foundation necessary to translate their work on campus into progressive activism post-college.

"We're really prioritizing getting traditionally disenfranchised communities engaged in the political process," says Iara Peng, director of YP4. "Campus organizing can't start and stop there. We've got to make sure they have a role in the progressive movement and a sustainable role, and that means opening the doors and building the networks."

NATIONAL ORGANIZATIONS LIKE U.S. PIRG (the federation of state Public Interest Research Groups), Campus Progress, and College Democrats of America have also expanded outreach to students outside four-year colleges, especially around such issues as voter mobilization, college affordability, and debt. Young people at these schools make up the fastest-growing portion of students. Community colleges account for 46 percent of those in higher education, totaling 11.6 million students on some 1,190 campuses. But without support and encouragement, these students are less likely to get involved in politics than their counterparts at traditional colleges and universities, says Dan Shea, director of Allegheny College's Center for Political Participation, which was founded to

study political engagement among college students and develop programs to promote more involvement.

"Many of the aggressive efforts to mobilize and register young people have focused on four-year colleges and universities. Community colleges have slipped through the cracks," Shea says. "So shouldn't we be heading into the community to find these groups of voters who will likely stay out of the process unless we go out there?"

As Shea notes, these schools pose the most challenges to organizing: Students



Organizer: Kevin Killer at the Progressive Leadership Summit

typically don't live on campus and work full- or part-time. They are more likely to be parents, often attend classes evenings or weekends, and are invariably more pressed for time. Get-out-the-vote work there requires more creative efforts than on traditional campuses, like visiting classrooms, providing voter-registration information along with course-enrollment paperwork, or registering students to vote when they pick up their student IDs. Creating opportunities for these students to participate in campus groups or political meetings often requires more flexibility in scheduling or multiple events.

Putting in the effort at these campuses, though, can yield big gains, says David Rosenfeld, national program director of student PIRGs. While 59 percent of young adults ages 18 to 24 who attended college voted in 2004, students at community colleges are more likely to mirror the trends among young adults who don't

go to college, only 34 percent of whom voted in the 2004 election.

But unlike their peers who do not attend any sort of college, these students do congregate in a common place—on campus. And if progressive groups make the effort, community college students can be an entry point to a whole population of young people who have traditionally been hard to mobilize. These students are also more reflective of and involved in the surrounding community, Rosenfeld notes, facing the same economic and social struggles as the roughly

45 percent of young people between the ages of 18 and 25 who aren't in college.

"Community colleges are deeply rooted in the community they reside in," Rosenfeld says. "The vast majority of students are from the community, the faculty are often very active in the community, and the college itself runs programs that many community members are directly involved in."

Student PIRGs have been working with students at these colleges throughout their 30-year history, incorporating chapters on nine community college campuses as well as a number of large commuter schools like the University of Massachusetts campus in Boston and the University of Connecticut's Hartford campus. Their most recent effort has been on the nine campuses of the Los Angeles Community College District, with its more than 114,000 students making it one of the largest networks of community colleges in the country.

Prior to the 2006 midterm election, U.S. PIRG trained 50 student leaders in the district to register their peers to vote, who made more than 4,000 get-out-the-vote contacts on campuses. Since then, PIRG has been working with the L.A. students to lobby their representatives on the College Cost Reduction and Access Act, which passed last September, and to organize around issues like increasing Pell grants.

PIRG is also working with L.A. stu-

dents to help professors identify free and low-cost textbooks, and has promoted for-credit internships for political projects, allowing students to incorporate activism into their coursework. For-credit internships are a model PIRG uses on all the campuses where it works. But on community college campuses, where students often lack the time to commit to extra-curricular projects due to job or family commitments, the internships are an essential element to making activism an option. Since PIRG began its pilot internship program at the Los Angeles colleges, students have earned credit hours raising money for a local emergency food program and planning a “Voting Rocks” concert on campus to raise awareness about the primary elections.

COLLEGE DEMOCRATS OF AMERICA, TOO, is working to add more community and other nontraditional colleges to its ranks. On such campuses, college affordability has been a particularly important topic, says Katie Naranjo, programs director for College Democrats and a student at the University of Texas in Austin. Working on these campuses to organize around legislative issues like the College Cost Reduction Act and increasing Pell grants have been good entry points. Expanding the conversation to issues like health care has also been important for outreach on these campuses, where students are more likely to be feeling the crunch of rising costs. Increasing flexibility of event times has also been key.

“We have this demographic of people who may not be between the ages of 18 and 24, but they are Democrats, and they do want to be involved,” Naranjo said. “We’re trying to do things organizationally so that people can attend, [like] having two meetings a week, one set in the day and one set in the evening.”

Campus Progress, the student-centered division of the Center for American Progress, is another group expanding its programs to nontraditional campuses, especially on issues like college costs and student debt. Campus Progress is forming chapters at schools like the City University of New York (CUNY) and Pasadena City College in California, large com-

muter campuses that draw students from the surrounding city, and has brought programs like film screenings and workshops to nontraditional campuses.

In November, Campus Progress hosted a workshop on credit-card debt at Broward Community College in Fort Lauderdale, bringing in experts on finance and legislative affairs to talk about deceptive solicitation, avoiding escalating fees and charges, and the role of government in protecting consumers. It was the first time the organization had hosted an event on a community college campus, said Ramya Raghavan, communications and outreach manager for Campus Progress. “There are willing and able activists at community colleges,” Raghavan said. “They’re ready to organize; they just need to be given the tools.”

Those tools are now helping students like Kevin Killer open up the doors of political participation to other students. His organizing increased voter registration at Oglala Lakota College by 15 percent during the 2006–2007 school year

alone, and through the YP4 fellowship, Killer landed a position with Campus Camp Wellstone, a national program that trains students to become political organizers, where he is now helping launch a new national Native American leadership program. In April, he’ll be bringing Campus Camp Wellstone to Oglala Lakota to train students from all of the school’s 10 campuses in how to register their peers to vote and mobilize them on the key issues in preparation for the 2008 elections. He was also elected president of the YP4 fellowship network last year and continues to serve as a senior fellow, and has been working with the organization to create more opportunities for students like him. Last year, there were three fellows from Oglala Lakota, including Killer’s sister, Kimberly. This year, the YP4 fellows will include four students from the campus.

“For a lot of these students, these schools are their only choice,” Killer said. “We want to have all the resources possible to make those communities successful.” **TAP**

Another Kind of Youth Movement

A new generation with new economic stresses rediscovers the benefits of an old idea—trade unionism.

BY DANA GOLDSTEIN

IN RECENT MONTHS, LABOR ACTIVISM has presented a younger, hipper face. Based on media coverage of the Writers Guild of America strike in Hollywood and the uprising of MTV and VH1 long-term, full-time Web “freelancers” in New York City, you’d think the typical unionist demanding economic security was a 20-something, college-educated, creative classer living in a major city.

Jonathan Upright is definitely not that guy. He works in a much larger and less glamorous part of the media industry. A 29-year-old lifelong North Carolinian, Upright dropped out of college after two years. In 2006, he was hired as a full-time retail-sales consultant at the Winston-

Salem branch of what was then called Cingular Wireless, now AT&T. He’s one of the young people working behind the counter, answering questions about an ever-growing list of mobile communications products. He’ll help you figure out exactly why your cell phone is failing—and then try to upgrade you to an iPhone.

Upright calls himself apolitical and a “moral values” voter. Progressive politics was pretty much off his radar screen. But in March 2006, his employer dealt a shock to his system: AT&T announced that retail-sales commissions would be cut in half while salaries remained steady. Then the company threatened to increase the sales staff’s health-care

deductibles. It was a double whammy.

That's when Upright was introduced to the idea of collective bargaining by a colleague whose father was a union member. Alongside his friend, Upright brought the sales consultants' grievances to the Communications Workers of America's North Carolina branch. CWA already represented 180,000 AT&T employees across the country, including call center operators and network technicians. Why shouldn't the retail staff—the company's

challenges that we faced was that since we're in the South, a lot of people have a bad taste in their mouth because of all the violent strikes that took place way back when," Upright said. "There were stereotypes that you'd get in trouble with your employer or be forced to strike."

Indeed, although polls show young workers are much more likely than their parents to believe collective bargaining can help them achieve goals at work, for some young Americans, the word "union"

cans between the ages of 25 and 34. Amid these troubling trends, only 12 percent of American workers, a smaller proportion than ever, belong to a union. That number is even lower among workers under 35—just 4.6 percent of workers between the ages of 16 and 24 are unionized, and 10.7 percent of those between 25 and 34.

Faced with this decline, yet heartened by the occasional success of organizing drives like the CWA effort in North Carolina, the nation's largest unions are investing in fresh ways of reaching out to a demographic group largely new to the idea of collective bargaining. One highly anticipated project is the oddly named Qvisory, launched with \$500,000 from the Service Employees International Union and a \$1 million grant from the

Most employers force drawn-out, enervating contests for union certification, even after a majority of workers have signed cards.

face to consumers—have the same benefits?

Upright decided to take a leadership role in organizing workers in the Charlotte area. He went store to store but also organized online, launching a blog to educate his AT&T co-workers about the unionization process. On Oct. 2, 2007, after a union card check showed more than half of the employees supported unionization, CWA became the official representative of 240 AT&T retail workers in North Carolina, many of them under 30.

But it hadn't been a cakewalk. Card check is the exception in U.S. collective bargaining. Only thanks to the leverage that the parent CWA has with AT&T nationally was union recognition based on card check an option at all. Most employers force drawn-out, enervating contests for union certification, and many harass or try to fire pro-union workers even after a majority sign cards. Given the history of union-busting, worker demoralization and skepticism are also obstacles. Upright met many young workers, people like himself, who had very little idea of what a union was. Others held negative stereotypes about the union movement or were uncomfortable with its association with liberal politics. "One of the big



Stand-Up Guy: Jonathan Upright saw his organizing efforts pay off.

conjures up little more than dusty history lessons. This is especially true in regions of the country, such as the South, with heavier "right to work" anti-union laws, brutal employers (like Wal-Mart), and less of an organized labor legacy. Still, union organizers say young workers are well aware they aren't getting a fair shake in today's economy. In 1979, 63 percent of recent high school graduates had employer-provided health insurance. Today, only one-third do. Adjusted for inflation, the average annual income of a young worker without a college degree is less today than it has been since the mid-1960s. And while all Americans have experienced an erosion of social protections in recent decades, the conditions are worst for those who don't hold college degrees. That's over two-thirds of Ameri-

can Rockefeller Foundation. Like the New York-based Freelancers Union, Qvisory will offer several health-insurance plans to transient young workers, as well as financial services such as retirement savings accounts. Qvisory will be Internet-driven and plans an ambitious rollout, marketing through social networking sites like Facebook and MySpace and on blogs and Web publications popular with the post-college set. The group plans several national advocacy campaigns, the first of which is focused on predatory lending and student debt. Future campaigns will advocate increasing access to health care and protecting social security.

The strategy is geared toward reaching educated young workers, but membership—which costs \$36 annually—is open to anyone. Qvisory is partnering with university alumni groups to sell the memberships. Purchasing health insurance through the group will cost extra. Though young adults are notoriously cavalier about health concerns, Qvisory's internal research suggests they are willing to pay up to \$79 per month for insurance coverage.

About 30 percent of young adults are uninsured. But are they ready to organize collectively for services? Eileen Quigley, Qvisory's CEO, says part of the

organization's job is to educate young people about the benefits of collective action—without resorting to old vocabulary. And that means avoiding the word “union,” at least for now. “We’re trying to create a new institution for a new economic time,” Quigley said. “This isn’t about organizing in the traditional union way. It’s about a collective voice, and it is about helping this age cohort find a voice. I wouldn’t use ‘union’ language, because I think ‘union’ has a very specific meaning. This is something different.”

Another union surrogate is Working America, a branch of the AFL-CIO. In effect, Working America is a union for people without a union in the workplace, with over 1.6 million members nationwide. Through Working America, members can access a health savings account, participate in local advocacy campaigns around issues of economic inequality, and support more traditional union organizing. In the St. Paul, Minnesota area, Working America members contributed 3,968 signatures to a petition in support of a nurses’ organizing drive at a local hospital. Unionization had met stiff resistance from management but was eventually successful, in large part because of community support, said David Wehde, Minnesota state director for Working America. And after learning about the nurses’ union, some Working America members expressed interest in unionizing their own workplace and were put in touch with organizers.

Working America has had particular success signing up people under 30 and people of color. Jenn Jannon, Working America’s state director in Pennsylvania, explained, “When we reach out into suburban neighborhoods, a lot of folks in the 18-to-30 age range are living at home.” Their living situation is a daily reminder that service jobs without health insurance, overtime, and other benefits don’t allow people to build adult lives. The culprit isn’t cultural malaise but economic insecurity.

Some commentators assume that young workers prefer to flit from job to job, rather than settle down, but this pattern is more the result of the structure of the labor market than a reflection

of worker preferences. In their first 16 years of work, today’s average American will switch jobs 9.2 times. Frequent job changes can inhibit unionization, since unions rely upon workers rising through the ranks into leadership positions, and upon a work force highly engaged with its place of employment. But there’s also an upside. Danica Finley, an SEIU organizing director in Oregon, said today’s 20-something health-care workers will often risk more to unionize than older colleagues. Since they don’t expect to be tethered to their employer for decades, young workers are less scared of angering management. “The fact that these workers are not especially afraid of losing their jobs gives them a courage and confidence that would have been hard to hold on to otherwise,” Finley said.

In many cases, economic security and mobility are simply more important to young workers than job security. Tom Woodruff, executive vice president for organizing at the SEIU, said more often

than not, labor organizers hear from young workers that they are frustrated and depressed about their inability, over time, to buy real estate, educate children, and save for retirement. “They’re not being paid properly, and they know that,” Woodruff said. “They’re looking to raise a family without having to work two or three jobs.”

If the labor struggles in Manhattan and Los Angeles television studios have helped more typical young workers in any way, they have at least forced the mainstream media to look at organized labor and portray it as a pragmatic champion of Americans challenged by the new economy. That helps people like Jonathan Upright explain to workers on the ground how unionization can change their lives. And getting involved with a union can foster a real commitment to progressive politics. “With the upcoming election, I hope whatever candidate runs supports unions,” Upright said. “Because you know, Bush doesn’t at all.” **TAP**

Democracy Versus Debt

Students are getting serious about organizing to change the rules of the game that leave young adults burdened with college and credit-card debt.

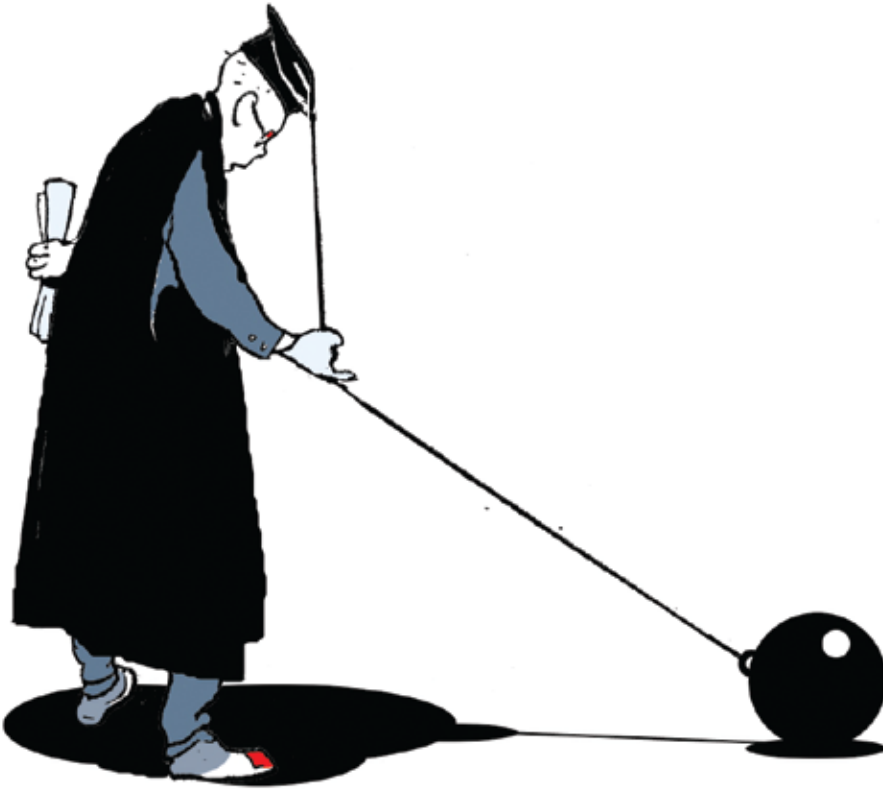
BY KAY STEIGER

ANTHONY DANIELS IS THE CHAIRPERSON of the National Education Association’s student program but is saddled with nearly \$58,000 of debt in student loans from his undergraduate and master’s programs. He’s considering getting out of teaching. With payments of roughly \$600 a month and an interest rate of 11.71 percent, he just can’t afford the payments on a teacher’s salary, typically starting at less than \$30,000. “The passion is here,” Daniels said, “but I just can’t afford it.”

Daniels, in a way, is lucky. At least he managed to get a degree. About one in five students at a four-year col-

lege or university end up dropping out, and financial stress is a prime cause. At community colleges, that number is one in four. The drop-out rate among white students at 43 percent is high, but the rate is even higher among Hispanics (56 percent) and blacks (61 percent). Debt burdens hit hardest at those with the steepest climbs into the middle class. Without a degree, there’s little hope of earning enough income to pay back loans.

Debt levels have been increasing over the last several years. Once, student loans were labeled by financial advisers as “good debt” incurred in service of



over the next five, when the maximum award will be worth \$5,400. What's more, only about 22 percent of students who apply for the Pell grant ever receive the maximum. The act did cut the interest rate of federally subsidized loans, like Stanford loans, in half—from 6.8 percent to 3.4 percent. Furthermore, the law caps loan payments at 15 percent of discretionary income. The act also expanded loan forgiveness programs for those who spend 10 years or more in a public service profession, like teachers or soldiers. But what the legislation didn't do was make the Pell grant worth what it was in 1965, when it covered nearly all higher education costs. What the act didn't do was increase the amount of direct loans; it relies instead on an inefficient private loan system that saddles students with large debt burdens. Nor did the act curb double-digit tuition hikes. Of applicants to colleges and universities around the country,

increased earning capacity. But today the average student graduates with a debt load of more than \$19,000, more than double the average debt in 1993 of \$9,250. In 2005, the average student took 10 years to pay off college loans. Debt has become economically crippling—a drag on the disposable incomes of young adults and a deterrent to the enrollment or completion of college educations for students from non-affluent families.

Federal grant and direct loan aid is a much better deal than commercial loans, but the process of applying for federal aid is byzantine. The multipage application is daunting in comparison to seemingly friendly “sign here” private loans.

The private, for-profit student loan industry was created by The Higher Education Act of 1965, which Congress has been working to renew since 2004. The act set up a system of subsidies for the banking industry. Even if students defaulted on their loans, banks were virtually guaranteed repayment from the government. At the time, state universities were close to tuition-free, and student loans were a niche product used by a small number of students attend-

Today, the average student graduates with a debt load of more than \$19,000—more than double the average debt in 1993.

ing private universities. Excluding loans from parents, only about a third, 34.3 percent, of students in 2004 graduated without some kind of debt.

The private lending industry represents a needless middleman, extracting profits from federal funds that should be helping students. The industry has been afflicted by scandal, with some lending companies giving kickbacks and stock options to financial-aid offices employed by colleges and universities.

Because of the political power of the lending industry, the conservative Republican presidency, and the reluctance of fiscally cautious Democrats to increase net spending, reform has been largely blocked.

The College Cost Reduction and Access Act of 2007 produced meager and disappointing results. The maximum Pell grant award, the best shot at help for low-income students, will only increase by an average of \$218 per year

about 400,000 never go because they can't afford it and about 600,000 qualified young people don't even apply to higher education.

Major student organizations, including U.S. PIRG, Campus Progress, and United States Student Association, endorsed the College Cost Reduction Act as better than nothing but far from adequate. Ideally, student groups want free or near-free tuition and housing for any student who is qualified for college and can't afford it. USSA would also like to see the elimination of predatory private lenders altogether, but recognizes that that's not an entirely feasible scenario, especially given conservative Republicans' control of the executive branch. PIRG, on the other hand, advocates a more moderate position of simply increasing funding to grants and direct loans but leaving private lenders more or less alone. State-level groups tend to work more on curbing tuition-cost increases by lob-

bying for an increase in state funding.

"The student debt crisis is getting worse every year," says Rebecca Thompson, the legislative director at USSA. Thompson held three jobs on and off campus during her time at North Michigan University, often working more than 40 hours a week while going to school full time. She still managed to graduate—but with more than \$35,000 in student debt. "The economic ladder from below the middle class and the middle class is education," Thompson said. She adds that sometimes we forget that colleges are often where young people become activists. "Without a college education I would not be doing the work that I do today," she said.

THE OTHER KIND OF DEBT, THE KIND usually labeled as "bad debt" by financial advisers, is credit-card debt. A study in 2005 showed low- and middle-income adults under 34 carry an average of more than \$8,000 in balances on their credit cards. Three out of four young people carry balances rather than pay off credit-card debt monthly. Thanks to aggressive marketing to college students, young people are encouraged to take on unmanageable debt. Colleges and universities have accepted millions of dollars in co-branding deals that include the university's logo on credit cards. What we really need are serious restrictions on predatory lending practices, both for student loans and credit cards.

The good news is that the bad financial deal afflicting students is becoming a political issue, even a mobilizing issue. Students in Maine organized a ballot initiative that provides student-loan relief to Maine's college students in the form of tax credits. Students can get up to \$2,100 in tax credit (the price of Maine's state tuition) a year if they decide to stay in Maine following graduation. Volunteers collected 73,000 signatures, many from students themselves, to get the initiative to Maine's legislature. When it got there, an impressed state legislature simply passed it rather than send it on to the public for a referendum vote. Gov. John Baldacci signed legislation into law this summer. The initiative

was popular with Maine's small business owners and helped the state counteract the brain drain.

In California, where tuition at public universities has more than doubled in the last six years, Gov. Arnold Schwarzenegger suggested that his recently proposed budget was aiding higher education, when in fact his proposed budget will have net higher education spending cuts of more than \$1 billion. As Tuition Relief Now organizer Chris Vaeth points



Hasta La Vista, Baby: Students protest against budget cuts and rising tuition and student fees at California's public colleges and universities.

out, increases in fees are used to disguise higher student costs while tuition rates are kept fairly stable. Berkeley students, for example, can see \$8,000 in fees tacked on to their tuition bills. The students in California are organizing to curb skyrocketing costs by proposing a tuition-and-fees freeze for the next five years. After that, they propose tying tuition increases to inflation increases. They propose paying for this initiative by increasing taxes on the richest 1 percent of California's population by 1 percent.

The average total cost, including room and board, of attending a four-year university was more than \$12,000 a year in 2006. Such tuition increases are

in part caused mostly by funding cuts from state budgets. "It ends up being, in bad budget times, the first thing cut and in good budget times the last thing funded," said Luke Swarthout a higher education advocate for U.S. PIRG. Students fall low on the priority list because they aren't perceived as wielding real political power.

That could be starting to change. Iowa, home to the first presidential contest, is also home to the nation's second-highest burden of debt per student, totaling an average of \$23,680. Students had the opportunity to ask candidates, "What's your plan?" in a campaign with PIRG to pressure candidates to come up with plans for reducing student debt. Hillary Clinton advocates a detailed program that would expand AmeriCorps, allowing loan forgiveness to students who spend time after college in public service. She also proposed a \$3,500 annual tuition tax credit, and proposes increasing the maximum Pell grant. Her total higher education package would put an additional \$8 billion a year into higher education spending, but other than a student borrower's bill of rights, she mainly leaves private loan industries alone. Barack Obama's plan includes a tuition tax credit of \$4,000 and advocates a simplification of the application process. Obama's plan doesn't address predatory lending practices. Obama and Clinton both voted for the College Cost Reduction Act.

If politicians are wise, they will pay more attention. Young people are starting to leverage their power on economic issues. Rather than plugging their ears with headphones, students are beginning to make changes by lobbying Congress, volunteering for ballot initiatives, and pressing candidates to address the raw economic deal facing the young. If candidates expect the support of young voters, they need to offer more than vague appeals to youthful idealism—and deliver tangible help. **TAP**

Kay Steiger, a former editorial assistant at the Prospect, is an associate editor at Campus Progress, part of the Center for American Progress.

An Economic Compact for the Young

Improving the economic horizons of America's young adults will require a sustained commitment and serious resources. But it will pay huge dividends.

BY ROBERT KUTTNER

AS THE OTHER ARTICLES IN THIS special report have made clear, the economic deck is stacked against America's young. For a quarter-century, policies that once promoted entry into the middle class, such as affordable college tuition and support for first-time homeownership, have been battered by ideological and fiscal assault. Social investment has not kept up with changing social realities, and the remnant of America's welfare state is tilted toward the other end of the age spectrum. The solution is not, as some have suggested, to remove supports from the elderly. Reliable pensions and Medicare are also on the defensive. The remedy is to enlarge social investment for the young, to expand economic pathways to secure adulthood.

With the exception of the generation born between roughly 1880 and 1910, whose members lost so much as adults in the Great Depression, there has never been an extended period of generational downward mobility comparable to this one—and it is all the more remarkable for occurring during a period of general economic growth. The post-Depression generation enjoyed a long, equitably distributed boom that raised living standards as children grew into adults. Some of their economic good fortune was the result of random luck—a steady increase in housing values and the insulation of American industry from global competition. But much of that older generation's rising prosperity over the life course reflected government policies that deliberately promoted a secure middle class. By contrast, today's young adults enjoy neither the lucky timing nor the supportive public policies to counter-

act inclement market forces. The acute Great Depression lasted 12 years; the current era of slow generational downward mobility is far more gradual, but it has already lasted 30 years.

A prime democratic deficit of this era is that issues that should be understood as deeply political have been substantially removed from political debate. In the realm of social policy, questions of who gets what are profoundly political: who gains access to affordable higher education, whether it is possible to reconcile obligations of work and family, whether good health insurance is available at acceptable cost to young adults, the upwardly tilted pattern of subsidies for homeownership, and the pervasiveness of predatory lending practices. Yet a vicious circle is at work. Because too few political leaders function as teachers on these issues, because government delivers so little to young adults, and because the same economic stresses leave the young with little time for politics, there is often a sense of resignation about whether politics and government can make a difference. But as this special report suggests, that passivity is beginning to change for the better.

WHAT MIGHT GOVERNMENT DO, GOING forward, to make an economic compact with the young? The first thing to recognize is that this enterprise will require serious social investment. It cannot be accomplished with token gestures that make little practical difference. Some of the measures needed are regulatory, such as constraints on predatory lenders, but most will require public money.

The second thing to appreciate is that these measures will pay serious econom-

ic dividends. Investing in the young will produce a more productive America and will help them to become more effective parents of their own young. And the third important truth is that these expenditures are not welfare outlays to promote dependency but investments in self-reliance, upward mobility, and just rewards for hard work.

Affordable Education. One of the most insidious aspects of the conservative counterrevolution of the past 30 years has been the increased financial obstacles to higher education. State legislatures faced with right-wing tax revolts, flat or declining revenues, and dwindling federal aid have placed a disproportionate share of the cost on reduced appropriations to public higher education. This withdrawal of public support has combined with cuts in the value of Pell grants, rising private-college tuition costs, the shift from grant aid to loan aid, and the cynical diversion of financial-aid funds to “merit” aid intended to attract affluent students with high board scores. The cumulative result has raised barriers to college education for the children of the non-affluent. Offspring of the elite can attend college without the distraction of part- or full-time jobs, and can graduate without the millstone of college debt. So this historic shift has dramatically narrowed life chances and hardened class lines.

A program of affordable higher education would include several elements. First, the wasteful subsidy to private lenders should be eliminated in favor of direct federal tuition loans. Second, a dramatic increase in Pell grants is necessary so that the program covers the 77 percent of costs at four-year public uni-

versities that it did when it got underway in 1979–1980. (Today, the average grant covers just 36 percent.) Third, we need some strategy for containing the arms race among colleges and universities to game the rankings system by diverting financial aid to students who have no financial need for it. As tax exempt institutions, colleges and universities might be required to limit the percentage of aid awarded based on criteria other than need. Finally, we need some version of the “baby bond” program that has been proposed in these pages. [Bruce Ackerman and Anne Alstott, “\$80,000 and a Dream,” *TAP*, December 2002.] This would allow all children to begin life with a nest egg, which would accumulate during childhood and provide a substantial share of college costs at age 18.

A good example of a smart policy package is the *Contract for College*, proposed by Dēmos. The *Contract* would unify the existing three strands of fed-

eral financial aid—grants, loans, and work-study—into a coherent, guaranteed financial-aid package for students. Grants would make up the bulk of aid for students from low- and moderate-income families. The *Contract* recognizes the important value of reciprocity—so part of the *Contract* for every student will include some amount of student loan aid and/or work-study requirement.

Universal Health Care. The perverse linkage of health insurance to employment falls disproportionately on two groups—the near-poor and young adults (who are often the same people). Middle-aged Americans are more likely to have jobs that still provide decent health insurance. The poor qualify for Medicaid, and the elderly for Medicare. But young adults are far more likely to work at jobs that either provide no health insurance or inferior and unaffordable coverage, where the employee pays all or most of the premium cost and high deductibles and co-pays perversely dissuade people from seeing the doctor except when conditions become dire. This pattern adds up to a hidden tax on the young.

A seamless system of universal, government-organized health insurance would solve the problem in a stroke, both for young adults and for their own children. Jacob Hacker and the Economic Policy Institute have demonstrated that because of all the inefficiencies in the present system, shifting to universal insurance could be accomplished for an initial net federal cost around \$50 billion a year, and with a net cost savings to the health system as a whole because of the more efficient allocation of medical resources.

First-Time Homeownership and Affordable Rentals.

In the period after World War II, government acted to dramatically increase homeownership among young adults

through the GI bill and FHA-insured loan programs. In the 1930s, as part of its efforts to avert a mass crisis of foreclosure, government sometimes made direct mortgage loans passing along the government’s own low-borrowing rate. In the late 1960s and early 1970s, government briefly sponsored a below-market mortgage program for first-time homebuyers. Government also had several programs for increasing the supply of affordable rental housing.

Of all the forms of social outlay, none has taken steeper cuts beginning in the Reagan era than housing. What’s left is mainly the mortgage interest deduction, a tax expenditure tilted upward, which now costs the Treasury about \$76 billion a year. On the rental housing front, direct federal subsidies for new construction have all but disappeared. The main remnant is a voucher program that serves only a fraction of those who qualify on the basis of income, and mainly serves to bid up existing rents and subsidize landlords. The other implicit federal subsidy to rental housing is another tax break, which allows for-profit developers to syndicate the value of tax shelters and trade them for cash. Much of the tax loss to the Treasury goes to developers and to financial middlemen rather than renters.

Today a local developer of affordable rental housing has to cobble together whatever state, local, and philanthropic funds are available, try to capture some of the tax breaks, use the leverage of federal or state consumer regulation to induce banks to provide slightly below-market mortgages, and extract a tithe from luxury housing to subsidize moderate-income housing. In 1960, renters paid on average 19 percent of their incomes in rent; in 2005, they paid 29 percent. And, from 1960–2005, the percentage of Americans paying more than a third of their income in rent grew from less than a quarter to almost a half. The toll, once again, has fallen disproportionately on the young—but not all the young. Among the upper middle class and the elite, it has become normal for parents to help young adults acquire their first homes. It’s only a problem if you don’t have affluent parents.



Into the vacuum of federal housing policy have come friendly, predatory lenders. The sub-prime mortgage crisis can be understood as a failure of deregulation, but also as a massive failure of housing policy. Back when sub-prime lenders still enjoyed some credibility with financial markets and with public opinion, they promoted themselves as serving a social mission—helping people of moderate means acquire their first homes. As events have now revealed, the true intent was to make as much windfall gain as possible, by offering bait-and-switch mortgages. High hidden prepayment penalties made it unaffordable for borrowers to refinance even if they otherwise qualified. A disproportionate share of the victims, now at risk of losing their homes, are young adults.

If the goal is to promote homeownership among young adults whose incomes and credit histories just barely qualify them for mortgage loans, the worst possible policy is to turn them over to the tender mercies of sub-prime lenders who charge above-market rates. Rather, we need a government program that combines below-market rates with disinterested credit counseling. And for those who can't qualify for homeownership, government needs to resume its historic commitment to affordable rental housing.

In the short run, we also need a much bolder and more direct strategy to brake the downward spiral of mortgage foreclosures. As millions of homes go into foreclosure, there will be a general loss of household net worth and consumer purchasing power. A government forbearance and refinancing program could both protect recent homeowners from losing their nest eggs and homes and use new first-time homeownership opportunities to repopulate vacant houses and shore up housing values generally.

Living-Wage Jobs. The trajectory of lifetime income gains has dramatically worsened over the past 30 years. Young adults, except those with advanced degrees, are likely to have lower starting salaries adjusted for inflation than their parents did, and to have less income growth over time. The whole society

needs more jobs that pay a living wage—and young adults would benefit disproportionately.

The policy instruments to promote a high-wage path for America will be the subject of a future *Prospect* special report. However, the broad instruments are evident. They include a restoration of the right to organize unions and bargain collectively, more effective regulation of labor markets through higher minimum wages, and the use of public outlays to

The young need to pay careful attention to politics this year, because politics will affect their lifelong economic futures.

generate better-paid and professionalized employment.

For example, a national commitment to professionalize human service work would create several million good jobs that could not be exported—caring for the young, the old, and the sick. This would reinvent human service work more on the model of northern Europe, where jobs working in early childhood, home care, and institutional care of the elderly are part of national professional systems with good career paths. These new opportunities would especially help young adults from lower-income backgrounds, for whom the health-care sector currently offers mainly low-wage job opportunities and few pathways to good careers.

Our Children and Their Children. The failure of public policy to keep pace with changing social realities has not just shortchanged young adults as economic beings but has impaired their capacity to be effective parents and stunted their own children. The *Prospect's* most recent special report, *Life Chances* (December 2007) explored all the ways that public policy fails to reconcile the stresses of work and family, and what a family-friendly set of national policies could do to help both young parents and their children.

A CANDIDATE WHO TOOK SERIOUSLY THE economic plight of the young would be rewarded with a rekindling of the political engagement of the young and the

revival of progressive politics. Just as the generation that came of age during and after the Great Depression became what Robert Putnam termed “the long civic generation,” a reawakened cohort of Americans now of high school and college age and slightly older would become lifelong supporters of a progressive social compact that improved economic opportunity and security. The Depression generation was disproportionately civic because of the constructive role of gov-

ernment in its life experiences. The New Deal saved tens of millions from destitution. Social Security and later Medicare provided vivid and tangible evidence of government's ability to make a positive difference in basic economic well-being. Many of that generation served in World War II—the “good war”—and many more experienced civic solidarity serving on the home front. Shortly afterward, the same generation got additional practical help from government from the postwar GI bill, which made it possible for millions to be the first in their families to attend college or own homes. Not all older Americans are liberals, of course, but it's no surprise that today's most senior citizens are more likely to have a friendly view of government.

The young need to pay very careful attention to politics this year, because politics will affect their lifelong economic futures. Although the campaign has been ripe with stirring rhetoric, creating a true social compact for the young cannot be done on a smile and a shoeshine; it will take serious outlays. Young America can be the leading edge of a new progressive politics—or it can retreat into private pursuits. In this fateful election season, we will either witness an intensified privatization of economic distress and a further turning away from politics or we will see leaders rise to the occasion and a new long civic generation take shape. **TAP**

Black and Brown Together

In Mississippi, African American leaders are the foremost champions of the state's growing Latino immigrant population. Some day soon, they hope, the new alliance will transform the state's reactionary politics.

BY DAVID BACON

In 1991, seeking to boost its never robust economy, the state of Mississippi passed a law permitting casino gambling. In short order, immigrant construction workers arrived from Florida to build the casinos, and the casinos themselves began using contractors to supply immigrants to meet their growing labor needs. Guest workers, eventually numbering in the thousands, were brought under the H-2B program to fill many of the jobs the developments created.

Throughout the 1990s more immigrants arrived looking for work. Some guest workers overstayed their visas, while husbands brought wives, cousins, and friends from home. Mexicans and Central Americans joined South and Southeast Asians and began traveling north through the state, finding jobs in rural poultry plants. There they met African Americans, many of whom had fought hard campaigns to organize unions for chicken and catfish workers over the preceding decade.

It was not easy for newcomers to fit in. Their union representatives didn't speak their languages. When workers got pulled over by state troopers they were not only cited for lacking driver's licenses but also often handed over to the U.S. Border Patrol. Sometimes their children weren't even allowed to enroll in school.

"We decided that the place to start was trying to get a bill passed allowing everyone to get driver's licenses, regardless of who they were or where they came from," says Jim Evans, the AFL-CIO's state organizer and leader of the black caucus in the state legislature. In the fall of 2000, labor, church, and civil-rights activists formed an impromptu coalition and went to the legislature. At the core of the coalition were activists who had organized Mississippi's state workers and a growing caucus of black legislators sympathetic to labor. Evans, a former organizer for the National Football League Players Association, headed the group on the House side, while Sen. Alice Harden, who had led a state teachers' strike in 1986, organized the vote in the Senate.

Harden's efforts bore fruit when the driver's license bill passed the Senate unanimously in 2001. "But they saw us coming in the House and killed it," says Bill Chandler, at the time political direc-



Casa Mississippi: A motel in Laurel that's home to Mexican poultry workers

tor for the casino union, UNITE HERE. Nevertheless, the close fight convinced them that a coalition supporting immigrants' rights had a wide potential base of support and could help change the state's political landscape. In a meeting that November, the Mississippi Immigrants Rights Alliance (MIRA) was born.

One day soon, that black-brown-labor coalition might just be able to transform Mississippi's politics.

IN BIG U.S. CITIES African Americans and immigrants, especially Latinos, often are divided by fears that any gain in jobs or political clout by one group can only come at the expense of the other. In Mississippi, African American political leaders and immigrant organizers favor a different calculation: Blacks plus immigrants plus unions equals power.

Since 2000, all three have cooperated in organizing one of the country's most active immigrants' rights coalitions, the MIRA. "You will always find folks reluctant to get involved, who say, it's not part of our mission, that immigrants are taking our jobs," Evans says. "But we all have the same rights and justice cause."

Evans, whose booming basso profundo comes straight out



of the pulpit, remembers his father riding shotgun for Medgar Evers, the NAACP leader slain by racists in 1963. He believes organizing immigrants is a direct continuation of Mississippi Freedom Summer and the Poor People's March on Washington. "To get to peace and freedom," Evans says, "you must come through the door of truth and justice."

Both Evans, who chairs the MIRA, and Chandler, who is now its executive director, believe social justice and political practicality converge in the state's changing demographics. Long before World War II, Mississippi, like most Southern states, began to lose its black population. Out-migration reached its peak in the 1960s, when 66,614 African Americans left between 1965 and 1970, while civil-rights activists were murdered, hosed, and sent to jail. But in the following decades, as Midwestern industrial jobs began to move overseas and the cost of living in Northern cities skyrocketed, the flow began to reverse.

From 1995 to 2000, the state capital, Jackson, gained 3,600 black residents. In the 2000 census, African Americans made up more than 36 percent of Mississippi's 2.8 million residents—a percentage that is no doubt higher today. And while immigrants

recently filed for the Democratic nomination to replace Sen. Trent Lott, believes, "We can stop Mississippi from making the same mistakes others have made."

The same calculus can also apply across the South, which is now the entry point for a third of all new immigrants into the U.S. Four decades ago, President Richard Nixon brought the South's white power structure, threatened by civil rights, into the Republican Party. President Ronald Reagan celebrated that achievement at the Confederate monument at Georgia's Stone Mountain. "[Progressive] funders and the Democratic Party have written off much of the South since then," says Gerald Lenoir of California's Black Alliance for Just Immigration. But MIRA-type alliances could transform the region, he hopes, "and change the politics of this country as a whole."

THE MIRA IS THE FRUIT of strategic thinking among a diverse group that reaches from African American workers on catfish farms and immigrant union organizers in chicken plants to guest workers and contract laborers on the Gulf Coast and, ultimately, into the halls of the state legislature in Jackson.

Chandler, who had been organizing state employees for the Communication Workers, went to work for the hotel union, UNITE HERE, and helped win union recognition in three Mississippi casinos. In 2005 in

Las Vegas, the union was renegotiating its contract covering Harrah's Las Vegas operations. Harrah's also owned two Mississippi casinos in Tunica and one that was destroyed and later rebuilt in Gulfport. With the threat of a Nevada strike in the air, Harrah's agreed to a card-check process for union recognition in Mississippi, and eventually signed contracts covering the three casinos there at the end of that year, although temporary, contract, and H-2B workers were not covered.

To build a grassroots base, MIRA volunteers also went into chicken plants to help recruit newly arrived immigrants into unions. Mississippi is a right-to-work state, and union membership is not mandatory in workplaces with union contracts. Frank Curiel, a Laborers' International Union of North America (LIUNA) representative who worked with the United Farm Workers for many years, says, "MIRA put the LIUNA business manager and a UFCW [United Food and Commercial Workers]

"We have the chance here to avoid the rivalry that plagues L.A. and build real power," says immigrant-rights advocate Bill Chandler.

were statistically insignificant two decades ago, today they comprise more than 4.5 percent of Mississippi's total population, according to news reports. "Immigrants are always undercounted, but I think they're now about 130,000, and they'll be 10 percent of the population 10 years from now," Chandler predicts.

That's still less than in the four states (California, Hawaii, New Mexico, and Texas) and the District of Columbia where some combination of blacks, Latinos, Asians, and Native Americans already make up the majority. But MIRA activists see one other big advantage in Mississippi. "We have the chance here to avoid the rivalry that plagues Los Angeles and build real power," says Chandler, who left East L.A. and the farm workers' movement decades ago to come to the South. "But we have to fight racism from the beginning and recognize the leadership of the African American community." Eric Fleming, an MIRA staff member and former state legislator who



rep on the board because we wanted them to understand the role of the union in representing Latinos—they had contracts in chicken and fish plants.” In one plant, Curiel signed up 80 percent of the newly arrived immigrants, while in two others, an MIRA student volunteer from the University of Texas signed up every Latino worker in two weeks.

The unions’ work wasn’t confined to fighting grievances or recruiting new members; immigrant workers had much bigger problems. “There was a pretty repressive system in Laurel, Collins, and Hattiesburg,” Curiel recalls. “Plants had contracts with temp agencies, and all the workers were undocumented. It was very hard to get a new contract because of the surplus of Latino labor and low membership.” But by building a combined membership of immigrant and African American workers, union negotiators in one plant forced the company to get rid of the temp service and hire employees directly. “That meant that African Americans gained access to those jobs, too,” Curiel emphasizes.

In the casinos, MIRA volunteers worked with UNITE HERE organizers. In Jackson, the coalition got six bills passed the following year, stopping schools from requiring Social Security numbers from immigrant parents, and winning in-state tuition for any student who had spent four years in a Mississippi high school.

Then Katrina hit the Gulf.

VICKY CINTRA, A CUBAN AMERICAN with a soft Southern accent, was the MIRA’s first full-time organizer and got her baptism of fire on the Gulf Coast. After the hurricane blew through Biloxi and Gulfport, contractors began pouring in to do reconstruction, bringing with them crews of workers.

Cintra handed out 10,000 flyers with the MIRA’s phone number, and the calls flooded in. Thirty-five workers abandoned by their contractor in dilapidated trailers received blankets and food. When two Red Cross shelters evicted Latinos, even putting a man in a wheelchair onto the street, the national news media reported on Cintra’s efforts on behalf of the immigrants. “For the next year we were just reacting to emergencies,” she recalls. The MIRA fought evictions and the cases of workers cheated by employers. “When we threatened picket lines, the contractors would sometimes offer to pay Latinos, but we said everyone had to be treated equally, and got money for African Americans and whites, too.”

The MIRA eventually recovered over a million dollars. “And this was while the federal government had said it wouldn’t enforce labor standards, OSHA, Davis Bacon, or any other law protecting workers,” Cintra says. “Really, it had been like this for years, but Katrina just tore the veil away.” The key to the MIRA’s success, she believes, was that “we engaged workers in direct action. Eventually the contractors and companies settling in Mississippi got the idea that workers have rights and were getting organized.”

MIRA volunteers also began to hear that guest workers were being recruited in India, not for reconstruction, but for the main industry on the Gulf—ship building. Working in the shipyards has always been dirty, dangerous, and segregated. Jaribu Hill, an MIRA board member, accuses the yards of putting “hundreds of black women into the worst cleaner jobs in the bottom of the ship. And when we get organized and outspoken, the boss starts looking for people who are more grateful, and more vulnerable.”

In late 2006, 300 guest workers arrived at the Pascagoula yard of Signal International, which makes huge floating oil rigs for the offshore fields in the Gulf. They’d been hired in India by a labor recruiter and given H-2B visas, good for 10 months. Signal charged the workers \$35 per day for the privilege of living in a labor camp located within the shipyard. “Twenty-four of us live in a small room, 12 feet by 18 feet, sleeping on bunk beds,” Joseph Jacob, one of the worker leaders, says. “There are two toilets for all of us, and we have to get up at 3:30 in the morning to have enough time to use the bathroom before going to work.”

Signal put the Indian guest workers to work in the yard alongside U.S. workers doing the same job, and claimed it paid them the same wages. The guest workers say they were promised \$18 an hour, but many were paid only half that after the company said they were unqualified. Signal CEO Dick Marler admits the company reclassified some workers after they had arrived, from first- to second-class welders, and then reduced their wages. Signal deemed six of the workers incapable and announced that it would send them back to India—a move that portended financial ruin for the workers.

The MIRA asked a Hindi-speaking organizer from the New Orleans Workers’ Center for Racial Justice, Sakhet Soni, to come to Pascagoula. Together they helped workers organize

Mississippi for Immigrants: Shopping and living in Laurel (left three photographs); labor camp housing in the Pascagoula shipyard (right)

Signal H-2B Workers United. Jacob was fired “because I attended the meetings,” he says. “That’s what the company vice president told me.” Marler denies this.

On the day the six workers were discharged, company security guards locked them in what they call the TV Room and wouldn’t let them leave. The MIRA went to the Pascagoula Police Department, and the police went out to the yard and eventually freed the workers. Outside the yard, dozens of workers and activists denounced the firings and mistreatment. The MIRA organized picket lines, and its attorney, Patricia Ice, started a legal defense campaign with the Southern Poverty Law Center.

The company said it had used the H-2B system because it couldn’t find enough workers after the hurricane. Other contractors have used the same rationale. “We’ve learned about case after case of workers in Mississippi, Louisiana, and all along the Gulf in these conditions,” Chandler says. “There are thousands of guest workers who have been brought in since

and we have to pay over \$1000 to get out of jail and get our cars back,” says chicken plant worker Elisa Reyes. And the way the state’s Council of Conservative Citizens demonizes immigrants is reminiscent of the language of its predecessor—the White Citizens’ Councils. Its Web site urges, “The CofCC not only fights for European rights, but also for Confederate Heritage, fights against illegal immigration, fights against gun control, fights against abortion, fights against gay rights etc. ... so join up!!!” The state’s chapter of the Federation for Immigration Reform and Enforcement brought the Minutemen’s Chris Simcox out from California to recruit at anti-immigrant meetings.

During the 2007 Mississippi elections for governor and state legislators, the Ku Klux Klan held a 500-person rally in front of the Lee County Courthouse in Tupelo. They wore the old white hoods and robes and carried signs saying, “Stop the Latino Invasion.” Their presence was so intimidating that Ricky Cummings, a generally progressive Democrat running for re-election to the State House of Representatives, voted for some of the anti-immigrant bills in the legislature. When MIRA leaders challenged him, he told them that Klan-generated calls had “worn out his cell phone.”

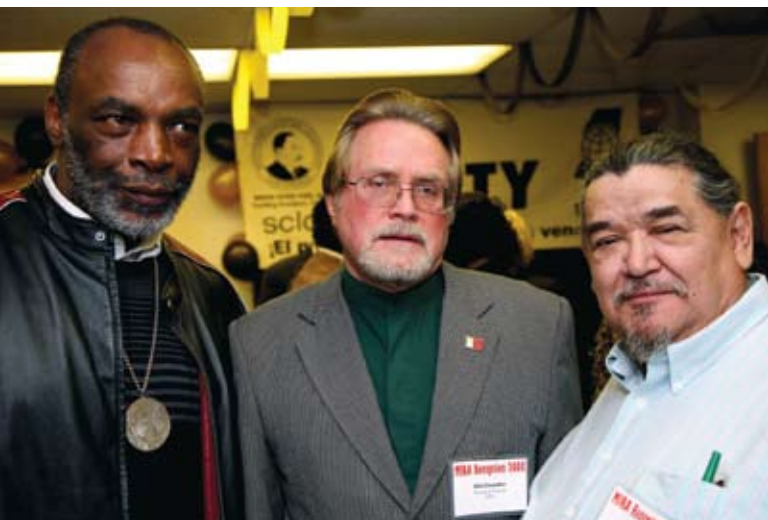
The Klan’s Web site says, “It’s time to declare war on these illegal mexican’s. ... The racial war is among us, will you fight with us for the future of our race and for our children? Or will you sit on your ass and do nothing? Our blissful ignorance is over. It is time to fight. Time for Mexico and Mexicans to get the hell out!!!” The Web site also has links to the site of the Mississippi Federation for Immigration Reform and Enforcement directed by Mike Lott, who sits in the state legislature, and the state affiliate of the Federation for American Immigration Reform.

In 2007 Republicans introduced 21 anti-immigrant bills into the Mississippi Legislature, including ones to impose state penalties on employers who hire undocumented workers, English-only requirements on state license and benefit applicants, to prohibit undocumented students at state universities, and to require local police to check immigration status. Mike Lott sponsored many of these bills.

The MIRA, however, defeated all of the proposed laws. “The black caucus stood behind us every time,” Evans says proudly. There are no immigrant or Latino legislators. Without the caucus, all 21 bills would have passed in 2007, as would have 19 similar bills in 2006.

The caucus didn’t just wage a “vote no” campaign. It also proposed a series of pro-worker measures that would have abolished at-will employment (the doctrine that says employers don’t need any justification for terminating workers), provided interpreters, and established a state department of labor (Mississippi is the only state without one). While these bills didn’t pass, either, the difference between the caucus’ and the Republicans’ agendas is as clear as black and white, or perhaps, black/brown and white.

Although the political coalition in which the MIRA participates is powerful enough to stop the worst proposals, it isn’t yet powerful enough to elect a legislative majority. Changing demographics is one element of a strategy to change that political terrain, but numbers alone aren’t enough. Chandler describes three factions



Mississippi Rainbow: MIRA’s Jim Evans, Bill Chandler, and Frank Curiel

Katrina and subjected to this same treatment. Mexican guest workers in Amelia, Louisiana, were held in the same way. They also got organized and came to Pascagoula to support the workers here when they heard what happened.”

Organizing guest workers is part of an effort to build an MIRA membership among immigrants themselves. MIRA members get an ID card and agree to come to demonstrations and help others. When the national immigrant marches began in the spring of 2006, MIRA members and volunteers mobilized thousands of people for a rally in Jackson and even a march in Laurel, a poultry town of 18,881 people with a progressive black mayor. “There’s still a lot of anti-immigrant sentiment here,” Cintra says, “but when people give the police their ID card they get treated with more respect, because they know their rights and have some support.” Curiel says the same thing: “In Kentucky, outside of Louisville, Latinos are afraid to go out into the street. In Mississippi it’s different.”

Not always that different, however. In Laurel and many other Mississippi towns, police still set up roadblocks to trap immigrants without licenses. “They take us away in handcuffs,

in the state's Democratic party—the black caucus at one end, white conservatives hanging on at the other, and “liberals who will do whatever they have to do to get elected” in the middle.

After some Democratic candidates campaigned in 2007 on an anti-immigrant platform, the MIRA wrote a letter in protest to Howard Dean, national chair of the Democratic Party. Those tactics, it said, were undermining the only strategy capable of changing the state's politics. “The attacks on Latinos, initiated by Republican Phil Bryant a year and a half ago, and joined by other Republicans, are now being echoed by Democrats like John Arthur Eaves [the party's gubernatorial candidate] and Jamie Franks [its candidate for lieutenant governor],” the letter said. State party leaders who “would go along to be accepted, rather than show the courage necessary for positive change ... are peddling racist lies against immigrants that violate the core of the party's progressive agenda. We do not need politicians whose only concern is getting elected. We need leaders who will represent the best interests of all the working people of Mississippi.”

Despite their anti-immigrant rhetoric, both Eaves' and Franks' campaigns were unsuccessful. Conservative Republican Haley Barbour was returned to the governor's mansion and Phil Bryant was elected lieutenant governor. Democrat Jim Hood, however, was re-elected attorney general, with a higher vote total than either Eaves or Franks. He was the only Democratic statewide candidate who did not mount an anti-immigrant campaign and who had earlier been convinced by the AFL-CIO's Jim Evans not to support anti-immigrant bills in the legislature.

In December 2007, Trent Lott suddenly resigned his U.S. Senate seat only a year after being re-elected to a fourth term. Barbour appointed conservative Republican Rep. Roger Wicker to fill the vacancy, and set the vote to choose a permanent replacement for the November 2008 general election.

“We can't rely just on the demographic shift to win,” says MIRA's Fleming, who plans to run for the seat. He notes that a winning majority in Mississippi would require about 80 percent of the African American vote, 20 percent to 25 percent of the white vote, and all of the growing vote of immigrants and other people of color. “But demographics makes it a viable race. We live in a conservative state where people don't accept new ideas easily, so the challenge for progressives is that we have to campaign and educate people at the same time. If we want people to move out of their comfort zone, we need a powerful message.”

In Mississippi, that message focuses on jobs, health care, affordable housing, and the basic economic issues affecting working people in a state with one of the nation's lowest standards of living and lowest levels of social services. Immigration issues, Fleming says, are not some toxic topic to be avoided at all costs. “If we talk about it in the context of protecting jobs, wages, and rights for everyone, it's something that can bring us together.”

Finding common ground among immigrants, African

Americans, and labor is the pillar of the MIRA's long-term strategy. Jaribu Hill of the MIRA and executive director of the Mississippi's Workers' Center, has launched her own bid for election to the legislature as a Democrat and argues that winning in the South requires open discussion of race and civil rights, even if it makes established institutions—including unions—uncomfortable. Before she can start any campaign in the fish plants where the workers' center is active, she says, “we have to talk about racism. The union focuses on the contract, but skin color issues are also on the table.”

The attorney general was the only statewide Democratic candidate who didn't mount an anti-immigrant campaign. He was re-elected.

To organize a multiracial workforce, the divisions between African Americans and immigrants need to be recognized and discussed, Hill insists. “We're coming together like a marriage, working across our divides,” she says. Rhetoric calling the current immigrant-rights movement the “new civil-rights movement” doesn't describe those relations accurately, however. “Our conditions as African Americans are the direct result of slavery. Immigrants have come here looking for better lives—we came in chains,” Hill says. “Today Frito Lay wages in Mississippi are still much lower than [in] Illinois—\$8.75 to \$13.75 an hour. This is the evolution of a historical oppression.”

Immigrants, when they, too, are paid that lower wage, are entering an economic system that reproduces discrimination and tiers of inequality originally established to control and profit from black labor. They inherit a second-class status that developed before they arrived.

Jean Damu, a writer and member of the Black Alliance for Just Immigration, also warns that drawing a parallel between the situations of blacks and immigrants has its limits. “After all, who would want to claim that deporting someone to Mexico is the same as returning them to slavery?” he asks. “But the similarities are powerful enough to convince many African Americans that it is in their best self-interest to support those who struggle against black people's historic enemies.”

For all the differences, Hill still sees a common ground of experience. “We're both victims of colonialism, we're both second-class citizens denied our rights. If people could see how African American people live here, they'd see it's like Bolivia or Jamaica. On the other hand, it's important for African Americans to understand why people come here—because of what's happening in the countries they come from. If people had a choice, if they could live like human beings, they wouldn't have to risk their lives to get here. I don't believe any human being can be illegal.” **TAP**

David Bacon is a California writer and photographer. His new book, Illegal!: How Globalization Causes Migration and Criminalizes Immigrants, will be published by Beacon Press this fall.

Politicians Bet the Farm

Faced with tough budget decisions, many states are turning to gambling as an answer to their economic woes. But most end up getting far more than they bargained for.

BY BARBARA T. DREYFUSS

Last spring, Kansas politicians decided to take government promotion of gambling to a new level, voting to make the state the first to actually own Las Vegas-style casinos. Not content, as other states, to merely tax the revenues of commercial gambling establishments, Kansas will own the casinos' buildings and rake in much of their proceeds. But the corporate giants and investors who own casinos in other states won't be left out. Kansas will partner with them to run day-to-day operations. The state's Republican legislature and Democratic governor, Kathleen Sebelius, endorsed the law as an answer to demands from the state Supreme Court to come up with more money for education. Rather than impose higher taxes or cut budgets, they bet on an easier road to riches. Watching Kansans flock to casinos in nearby Missouri and Iowa, political leaders decided to try to keep that money at home.

Kansas isn't alone. Officials in other states (over a dozen in 2007) are also scrambling to expand gambling, eyeing negotiated fees from American Indian tribes and tax revenues from commercial casinos. And, no longer satisfied with restricting casinos to rural areas, politicians are fighting to build them right downtown in the largest U.S. cities. As discussion of taxes has become taboo, politicians of both parties have been promoting gambling as a way to make a quick buck. Afraid to tell voters they need more money for government programs like education and public services, officials surreptitiously collect it by taxing gambling revenues.

It's not just a question of hidden taxing. When gambling comes to a community, crime, bankruptcies, suicides, and mental illness increase. City and county governments have to bear added costs for these problems, and local businesses often fold, as money that would otherwise be spent in the region flows into a corporate headquarters elsewhere. Despite opposition from many local citizens and business leaders, politicians have decided gambling is politically the easiest answer when they need immediate funds. The Rev. Tom Grey, field coordinator for the National Coalition Against Legalized Gambling, says Republicans' anti-tax rhetoric has caused "progressives to lose faith that there's a common good and a willingness to pay for goods and services."

A BIG GAMBLE

Legalized gambling has spread rapidly throughout the United States. Two decades ago there was a social stigma attached to gambling, and only two states, Nevada and New Jersey, allowed commercial casinos. American Indian gaming barely existed. But gaming has come out of the back alleys and onto the main streets of small towns and struggling cities around the country. It is promoted as high-class entertainment, yet affordable to the masses. And business is booming, with more than 460 commercial casinos operating in 11 states. Casinos took \$32.4 billion in gross gaming revenues in 2006, almost double the \$17 billion of 10 years earlier. American Indian-run gaming has also taken off, following an official blessing by Congress in 1988. Currently, 423 facilities, run by 228 tribes, operate in 28 states, according to Alan Meister in the 2007-2008 Indian Gaming Industry Report. Tribes raked in \$25.5 billion in 2006. On top of the casino money, Americans spent more than \$56 billion on state-run lotteries.

While gambling supporters argue that casinos are always an economic boon for a region, research indicates otherwise. With the exception of Las Vegas and Atlantic City, studies show that for many casinos, most of their players live within a 50-mile radius. The money those gamblers lose would otherwise be spent within the region, at such places as restaurants, movie theaters, and retail shops. And when local businesses lose these customers, they fire employees, pay fewer taxes, and often close. A few years after a casino comes to town, increased crime and other problems result in local governments' needing more police, courts, mental health programs, and other services. In many localities and states, casinos do not bring in the money politicians had hoped. Commercial casinos pay wagering taxes to states, but they also displace existing sales tax revenue. American Indian casinos only pay the state and localities the fees they have negotiated, and often not that.

Despite this, legislators ignore the broader consequences



MORE ONLINE Find out where Hillary Clinton and Barack Obama stand on the gambling issue. And read more stories about the impact of problem gambling. www.prospect.org/onlineextras



and look at the immediate tax dollars casinos might provide. Critics see this as equivalent to states urging people to smoke in order to get more tax money up front, despite the long-term health-care consequences. “No political leader would say, ‘Let’s increase revenue by promoting cigarettes’—it’s absurd,” says Les Bernal, who spent nine years as a top aide to a Massachusetts state senator, Susan Tucker, fighting casino legalization. “Yet, they do it with gambling.”

The gambling industry does not like to be compared with the tobacco industry, and the American Gaming Association (AGA), its lobbying arm, touts its openness and concern for problem gamblers. The association was set up in 1995, after the industry was scared by a brief effort to pay for the Clinton health-care initiative by taxing gambling. Frank Fahrenkopf, former head of the Republican National Committee, was named AGA president. “I didn’t want to come in to this job with the same sort of approach that the tobacco industry had had—the denial,” he says. He showed the board of directors the famous picture of tobacco executives swearing under oath at congressional hearings that smoking wasn’t harmful. The board took that message to heart, and the AGA has spent over \$20 million to fund research into gambling addiction. “We as an industry must commit to doing everything we can to help people who can’t gamble responsibly,” Fahrenkopf stresses.

Industry-funded research puts the onus on gamblers, emphasizing gambling addiction as a personal, psychological problem. It ignores casinos’ enormous and sophisticated marketing efforts, which help create the problem gamblers. The reality is the gambling industry lives off of people who gamble excessively. Exactly how much casinos depend on problem gamblers is difficult to determine without opening up their accounting books. But a

1997 study by Henry R. Lesieur, founder of the *Journal of Gambling Studies*, found that problem and pathological gamblers spend roughly 30 percent of the cash taken in by casinos.

The industry expends enormous effort to keep people coming back. Casinos issue guests cards, which carefully track their visitors’ betting activities. These provide a detailed profile of players, telling casinos how much people bet, what they like to play, where they eat. They also provide clues to what might entice them to return. Then casinos lure gamblers back with free gifts, including rooms, meals, limos, and free game time. “It’s all about building player profiles, gathering information, and putting that in orderly form, so that at a later date, when marketing to those individuals, you can pinpoint events, incentives, giveaways for your clients, to give yourself the best chance of moving that client to your place,” says a former marketing executive for a major Atlantic City casino.

The casinos are designed “extremely carefully,” he says. “Where you put the tables, where you give access, the colors of the rooms, the ventilation, could mean all the difference.” Casinos almost never have clocks and rarely have windows in game rooms, so gamblers lose touch with time. Round-the-clock restaurants keep people from wandering too far away. On the gambling floors, players are continually offered free drinks. Some casinos cater to young, more affluent gamblers, offering free rooms and dinners. Others focus on lonely, disabled seniors with time on their hands, providing free bus service from senior citizen housing.

Occasionally a casino official will approach someone losing heavily, who is showing signs of stress, and ask whether they want to leave. But unlike bars and restaurants, which will stop serving drunks, casinos rarely stop a gambler. And while some casinos do stringent credit checks before allowing gamblers to borrow money, or limit the checks they will cash, others are not so careful. In some cities such as Detroit, “you can borrow as much as you want,” says a former casino official. Many casinos have voluntary exclusion forms that gamblers can sign, asking that they be thrown out and subject to arrest if they return. Admittedly, it is not always easy for staff at large casinos to spot these gamblers if they try to return, especially if they change their appearance or don’t use the player cards. But a number of casinos have been sued by gamblers who charged they were not only allowed back in, even when spotted, but were actually induced back with free gifts. Casinos deny this. So far, the courts have sided with the casinos in these cases, or the suits were settled quietly.

TAKING THE BET

The current gambling boom in the U.S. started with the growth of state lotteries. Fahrenkopf says that “the seminal moment” came in 1964, when taxophobic New Hampshire voters agreed to a state-run lottery. That changed the public’s view on gambling, he says, because people believed, if a “state government is running a gambling enterprise, how can it be wrong?” The state-blessed lotteries attracted poor people who hoped to win big, and also legislators, who hoped their states would win big. Former Democratic Rep. Bob Edgar, now head of Common Cause, explains, “There are a whole class of people who think they will

make millions from the lottery. Politicians also convinced people that the money lotteries would bring in would help seniors and schools. Once we went down this road, politicians began to see gambling money as an easy revenue source.”

Although lotteries existed in the U.S. as far back as colonial days, by around 1900 they were all prohibited, thanks to numerous scandals. After New Hampshire gave them a rebirth, states throughout the Northeast, plagued by budget problems in the 1970s, also adopted them. States on the West Coast followed in the 1980s. While a few Southern states set them up, others resisted in the face of opposition from religious conservatives, who were against lotteries on moral and religious grounds, and liberals, who opposed lotteries as a regressive tax, because numerous studies showed that the heaviest players were the poor. Southern resistance gave way in the late 1980s, thanks in large part to James Carville, the political guru who helped Bill Clinton get elected, says Randy Bobbitt, author of the book, *Lottery Wars*, about the politics behind Southern lotteries. In 1987, Carville was trying to elect an unknown businessman, Wallace Wilkinson, as Kentucky’s governor. “He wanted an issue no one was talking about,” Bobbitt says. He found it by promoting a lottery as a new way to fund education. This was the key to Wilkinson’s election.

Today, 43 states and the District of Columbia run lotteries, which are still widely promoted as the only way to bring

in additional money for education. But the reality is that, while initially lottery money often adds to regular education budgets, as time passes it often is used just to maintain levels of education spending. In Florida, for example, as education budgets were diverted for other uses, and as lottery sales flattened and student enrollment increased, spending per student ended up below pre-lottery days. “If the lottery has bad sales one year, schools lose out,” Bobbitt says.

No political leader would say, ‘Let’s raise revenue by promoting cigarettes’—it’s absurd. Yet they do it with gambling.

State lotteries opened the door to American Indian gaming. In the early 1980s, several tribes started high-stakes bingo parlors, but their states objected. After fights in local courts, a landmark 1987 Supreme Court decision ruled that if a state allows a form of gambling, then American Indian tribes within that state are allowed to engage, unregulated, in that form of gambling. The following year, Congress passed the Indian Gaming Regulatory Act, establishing the legal structure for American Indian gaming. A key provision requires tribes to sign a compact with a state if they want slot machines or casinos. These compacts usually detail how much gaming revenue the tribe will share with the state.

While the Indians were busy setting up casinos on their res-

BLACK HAWK'S GAMBLE

How one small town in Colorado found out the hard way that the house always wins

BY TARA MCKELVEY

It has been less than a week since Fran Fry was in Black Hawk, Colorado, a town of more than 20 casinos and fewer than 200 residents, and she cannot stop thinking about the place. Still wearing a nametag (“25 years of service”) from the furniture store where she works, Fry, 58, lights a cigarette and tries to quiet her yapping Maltese, Bentley. “All I want to do is gamble,” she says in the living room of her Englewood, Colorado, condominium this

December evening. Her gambling habit has cost her and her husband, Michael, 59, also a furniture salesperson, roughly \$680,000; a tri-level, four-bedroom house; and, she says, “a lot of self-respect.”

Like most gambling stories, Fry’s begins with a win: \$277 in quarters, collected from a slot machine in Black Hawk one evening in 1994. “I’d go week after week. It took hold of me so bad,” she says. Fry thought she was on a roll. So did a lot of people in Colorado. In 1990 voters approved an amendment to the state constitution allowing limited-stakes gambling in Black Hawk, located about 30 miles west of Denver, as well as in two other former mining towns, Central City and Cripple Creek. Civic and business leaders promised big

rewards, explaining that gambling would create jobs, raise property values, and provide money for roads and historic renovation. Besides, they said, casinos are part of the mystique of a frontier town, which is founded on dreams and jackpots. “This is a proposition where everyone can win,” wrote a gambling supporter in a 1989 letter to a local newspaper. And in many ways, Black Hawk has hit the jackpot, with its casinos generating roughly 80 percent of the state’s \$69 million in adjusted gross proceeds from gambling in 2006.

But those proceeds have come at a price. Black Hawk has come to reflect the aspirations as well as the heartbreak and sickness that come with the introduction of slot machines, poker, and table games in cities

and towns across the country. Other states are poised to take the same gamble. Residents of Maryland and Massachusetts are debating the benefits of legalizing slots, and California and Florida have considered ways to expand their gambling venues. People living in those states, and anyone else concerned about the future of small communities in the United States, might want to take a look at what has happened here.

Gilpin County, where Black Hawk is located, earned a reputation as “the richest square mile on Earth” during the gold rush of the 1860s and 1870s, writes Patricia A. Stokowski in *Riches and Regrets: Betting on Gambling in Two Colorado Mountain*

ervations, the cowboys were also determined not to be left out. In the late 1980s and early 1990s, gaming interests promoted a revival of Old West gambling saloons in historic Colorado and South Dakota mining towns and gambling riverboats along the Mississippi and Missouri rivers. Although there was popular opposition, legislators and governors in six river states, which were suffering hard economic times in the late 1980s, promoted gambling as a source of revenue. Iowa led the way, followed by Illinois, Indiana, Missouri, Mississippi, and Louisiana. Because there was strong public opposition when the riverboats first started plying the waters, there were strict limits on when, and how, people could gamble. Boats had to be moving and could only operate for limited hours, and in some areas, losses were limited, too. But as more and more states allowed gambling boats, competition took away customers. So states started lifting restrictions. It did not take long for the moving gambling casinos to become stationary. Then it was only a short leap to building riverfront casinos.

THE PAYOUT

So what is really wrong with all this if tribes and towns benefit and people are entertained? "If it was just harmless entertainment, it wouldn't be a public-policy question," says Earl Grinols, a Baylor University economics professor who has researched gaming extensively. Casinos exact a tremendous toll, Grinols says, and the odds are not in society's favor. "My estimate is there is a 3.1 to 1 cost to benefit [ratio] to society as a whole," he says. Grinols and David Mustard, a professor at the University

of Georgia, studied data on all U.S. counties, spanning 19 years. They found that in the three to four years after a casino came to town, crime (including robberies, burglary, embezzlement, fraud, and assaults) increased by 8 percent. This forced budget increases for law enforcement, courts, and other services. Gambling also exacerbates other social problems, including suicides, bankruptcy, divorce, domestic violence, and mental illness. This, in turn, necessitates expenditures by local governments. Grinols estimates that society spends \$10,300 per pathological gambler. Even when governments get tax revenues from casinos, he says, overall they lose money.

Despite these costs, government officials look to the quick returns they can get from casinos. At times, though, they don't even get this money. In Michigan, for example, the state negotiated to get 8 percent of the slot machine revenues from casinos run by nine tribes. But one by one, eight of the tribes stopped paying, claiming the state had violated the agreement. Also in Michigan, tribes promised to use some of their profits to aid local communities, to offset the crime, traffic, and other problems caused by casinos. But a *Detroit Free Press* investigation revealed that tribal money in Michigan earmarked for such uses went instead to pay for such things as tribal members' taxes, a historical documentary, and homemaker groups.

Even if they do take in casino money, states lose out on sales tax revenue. Since most people have a limited amount of disposable income, money spent at casinos would otherwise buy taxable items or be used at restaurants and stores. A fiscal analyst for Indiana's legislature looked at 19 years' worth of multi-state

Towns. But as the price of gold fell steadily in the coming decades, the county suffered a slow decline. By the late 1980s, the economy had ground to a halt.

Business owners and elected officials were keen to open up the area to casinos. One state senator, Sally Hopper, warned in 1990 that if gambling were not approved, Black Hawk and the other towns would "crumble before our eyes," Stokowski writes. But gambling proponents made things look much worse than they actually were. In fact, Gilpin County residents had a slightly higher median household income than people living in other parts of Colorado. Yet the "rhetoric of despair," as

Stokowski describes it, was powerful, as was the promise of riches. On Nov. 6, 1990, 57 percent of voters supported an amendment to allow limited-stakes gambling, and within a year there were 18 casinos in Black Hawk alone. These weren't the quaint, Old West-style gambling halls that voters envisioned. They were mega-chains like Bullwhackers, Harrah's, and Caesar's Palace, which all opened up casinos complete with restaurants, live entertainment, and their own distinctive theme décor. It is hard to see exactly how Isle of

Capri Casinos' palm-leaf ceiling fans or Fitzgeralds' leprechaun wallpaper fit into the mining-town aesthetic.

It's not only the décor that's differ-

ent from what Colorado voters envisioned. Casino operators raked in \$799 million in 2007 but only paid 14 percent of that back to the state—far less than the 40 percent originally discussed. As the casinos became increasingly vocal about the percentage they wanted to keep, politicians complied and lowered the tax rate. More importantly, the industry seems to have fared no better than the mining companies in fulfilling its promises to revitalize the local economy. In the late 1800s, miners stripped the earth, leaving behind barren, yellowish swaths. Casino owners, too, have ravaged the area (one developer, Windsor Woodmont, moved a mountain, or at least the top of one), Stokowski writes, with a similar goal: "Get in, get rich, get out."

The dirty secret in Black Hawk and other casino towns is that the industry is largely supported by people like Fran Fry. Roughly 30 percent of the cash that casinos rake in comes from problem and pathological gamblers, according to a 1997 study by Henry R. Lesieur, founder of the *Journal of Gambling Studies*. Attorney Terry Noffsinger of Evansville, Indiana, who has sued casinos on behalf of compulsive gamblers, says, "The casinos do an awful lot to get those people to come back." Michael Fry saw it first hand. "They'd send two hundred dollars a week in coupons," he says. "To each of us," Fran Fry adds.

In 30 out of 48 states with legalized gambling, public money is (continued next page)



data and concluded that eight of 12 states lost sales tax revenues when large-scale commercial casinos opened. States could offset this loss by having sufficiently high wagering taxes on casinos, but only four of the eight did. Fahrenkopf disputes the idea that casinos reel in money that would be spent elsewhere in the area: "All the economic studies say that's a bunch of bull because what you've gotten is new revenue coming in, new jobs in the area, new restaurants being built, new motels and hotels." But very few cities have had an economic revitalization because of a casino, and even Fahrenkopf admits that three casinos have not been able to rebuild inner-city Detroit.

More and more local business leaders are seeing beyond the hype that casinos spark an economic boom, and are opposing them out of concern they will actually harm the local economy. Even in Kansas, where the government will now run the casinos, the Wichita Metro Chamber of Commerce board voted last June against a casino in the county. Its vote followed a study by Wichita State University showing a casino would cost the county \$1.4 billion over 20 years, when benefits, including jobs and revenues, were compared with the fiscal and social costs.

The Wichita business community is not alone. Mike Jandernoa, a business leader in Grand Rapids, Michigan, became interested in a nearby American Indian tribe's plan to build a casino when the local chamber of commerce expressed concern. Jandernoa reviewed a consulting company analysis of the casino and became worried about the casino's impact on his employees, "about the distraction, the tardiness, bankruptcy and divorce." The study also showed a casino would take con-

sumer spending away from local restaurants, bars, and retailers, and that Grand Rapids and the surrounding area would lose more than \$600 million over 10 years. The state as a whole was projected to lose \$300 million, largely due to money taken out of state by investors and management companies. "It has been promoted as this idea of being a tourist attraction that we can use in difficult economic times," says Jandernoa, who leads a business coalition that so far has slowed, but not stopped, the casino's development. "Well, we've grown to 23 casinos, and our economy has lost jobs and population."

PLAYING POLITICS

Voters in many states have opposed casinos time and again, only to see them legalized by legislators. Only two states, Michigan and South Dakota, approved casinos by a statewide public vote between 1988 and 2002. In the more than two dozen states that okayed casinos during that time, it was the legislature that brought them in, even over public opposition. For example, Iowa voters rejected the idea in 1985 and 1988, and polls showed they were ready to do so again in 1989, when the legislature endorsed it.

Perhaps this legislative support has something to do with the millions of dollars the industry pours into state campaigns. In the 2006 election cycle, the industry gave \$70 million to state candidates, according to the National Institute on Money in State Politics. It also spends lavishly on advertising when there are ballot referendums. In 2006, six gambling-related measures were on the ballot in five states. Committees backing or opposing these measures raised \$54 million, 89 percent of it coming from

(continued from page 31)

available for the treatment of problem gamblers. Not in Colorado. Rep. Dianne Primavera, a Democrat in the Colorado House of Representatives, is drafting a bill to help fund gambling-addiction counseling. Currently, fewer than five certified counselors practice in the state. "It would be great if we had twenty," says Lois Rice, who serves both as executive director of the Colorado Gaming Association, an advocacy group for limited-gaming casinos, and as a member-at-large of the Problem Gambling Coalition of Colorado. "That would be a start."

It's not just the problem gamblers who are hurting from the casino boom. The whole community has suffered. Domestic violence,

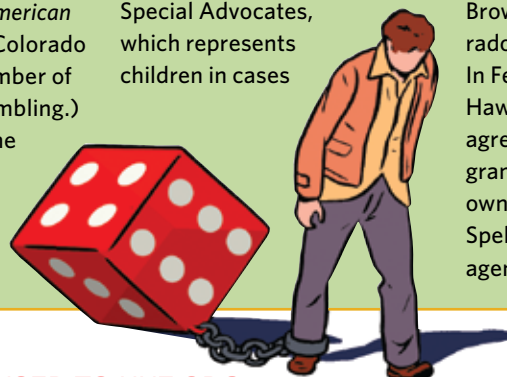
child-welfare cases, and felony arrests are persistent problems, and aldermen in Black Hawk have faced accusations of corruption and cronyism. These social ills are endemic to the industry. Six years after a casino opens, violent crime is on average 10 percent higher than in areas without legalized gambling. Bankruptcy increases at the same rate. And roughly 20 percent of people who seek help for gambling addictions have attempted suicide, according to the *Journal of American Medical Association*. (Colorado does not track the number of suicides related to gambling.)

Only a fraction of the state's cut of the casino revenue goes to police, fire, and social-service agen-

cies to help soften the impact of gambling on the community. Last year, the district attorney's office of El Paso County, which borders Gilpin County, was awarded \$414,050 from this fund. Of the 39,000 felony and juvenile cases seen by the district attorney's office in a year, 2,700 were "gaming related," says Glory Ortega, of the Colorado Department of Local Affairs. In other words, they involved suspects arrested going to or from casinos. El Paso County Court Appointed Special Advocates, which represents children in cases

of abuse, neglect, and violence, received \$60,395 for a caseload of 25 children (out of a total of 199) in gambling-related cases.

A portion of the state's gaming revenues also goes directly to the municipal governments of Black Hawk, Cripple Creek, and Central City. The allocation of these funds has been controversial, especially since "conflicted" Black Hawk officials have received hefty historic-preservation grants, according to Robert Brown, an agent with the Colorado Bureau of Investigation. In February 2004, the Black Hawk Board of Alderman agreed to use some of this grant money to purchase land owned by Alderman David Spellman for \$625,000. CBI agents investigated the mat-



gambling interests. Despite the expensive campaign, three states rejected an expansion of American Indian casinos, video games, or slot machines. Only in Arkansas was gambling expanded, but just for charities to run bingo games. And South Dakota kept its video lottery. These votes show significant public opposition to casino expansion. Last April, after the Maine legislature endorsed a measure to allow a second casino to open in the state, the Democratic governor, John Baldacci, vetoed the legislation. Two years earlier, Baldacci had vetoed a similar measure, saying that the social and economic costs of gambling were too great. In November 2007, Maine citizens endorsed Baldacci's position, voting down a referendum to expand gambling.

Gambling is a hot issue at the national level as well. In the run-up to the Nevada Democratic primary in January, Hillary Clinton used gambling industry executives affiliated with her campaign to criticize Barack Obama for his opposition, as a state senator, to using gambling for budget-deficit reduction. (He had expressed concerns about its "moral and social costs" and about the money the industry pours into politicians' coffers.) Obama did not take on the industry in Nevada, and his campaign responded to the Clinton attack by saying the state was a model for regulating gambling.

At least 10 states are currently debating casino regulation and expansion. In some areas, such as Philadelphia, there are active citizen groups fighting casinos. Business leaders like

Grand Rapids' Jandernoa are looking for economic development based on companies that can provide "an economic engine that would be sustainable" to revitalize their depressed cities.

While opponents have at times succeeded over the heavily financed campaigns of the casino interests, it is not easy. Despite earlier polls showing that California voters were poised to defeat measures on Feb. 5 expanding Indian gaming, in fact they ended up endorsing them, after an expensive effort by the pro-gaming side. But if the public and business show strong

More and more local business and civic leaders are seeing beyond the hype that casinos spark an economic boom.

opposition, politicians may yet get the backbone to resist the spread of gambling, especially since, with so many casinos already operating, new ones may be in political leaders' own backyards. That's something even Frank Fahrenkopf doesn't want. During a 2006 debate in Cleveland he admitted, "If someone were to come along and tell me they were going to put a casino in McLean, Virginia, where I live, I would probably work very, very hard against it. What's the old saying? NIMBY. Not in my backyard." **TAP**

Barbara T. Dreyfuss is a senior correspondent for The American Prospect.

ter but declined to discuss it since, as spokesman Lance Clem explains, "it still has quite a bit of sensitivity to it."

"Nothing was ever charged, which would indicate that no wrongdoing was found," says City Manager Richard Lessner. In July 2006, the town voted Spellman in as mayor.

A neon sign outside of Isle of Capri Casino says, "GAMING EXCITEMENT," but that is in short supply here this evening. The place smells of coffee and clove cigarettes. A woman dressed in sweat pants stares at a Wild Cougar video slot machine, hitting "Bet" buttons with a bandaged finger. Otherwise, she remains motionless, tethered by a plastic tube to an oxygen tank on wheels. Customers

wander the aisles, clutching plastic water bottles, or sit, alone and silent, at the slot machines. Yet for many the place is irresistible. As a cashier at the casino explains, people wait in line at 8 A.M. for the doors to open.

In 2003, Fran Fry wrote letters to Isle of Capri and the other Black Hawk casinos, asking them to ban her from their premises. Casino operators try to honor such requests, but, as a practical matter, it is difficult. Warning signs are posted: "Knowing Your Limit Is Your Best Bet," says a yellow sticker on an ATM machine at Isle of Capri.

But there are few formal mechanisms to ensure casino operators keep problem gamblers from coming back or provide resources to help

them recover from addictions. When it comes to problem gambling, says Don Bermania, a spokesman for the Colorado Division of Gaming, "the industry pretty much regulates itself." Fry eventually succeeded in getting herself banned from Isle of Capri. But she and Michael kept going back to the other casinos. "When you're in retail, and you're dealing with the public, it's awful. I kiss people's butts all day," Michael says. "That's all we've done all our lives. I was up there at the casinos because I like the treatment."

Fran always wanted to stay longer, though, and Michael waited for her. "I'd sleep on the floor under the drapes where they wouldn't see me," he says. "I told her she was addicted to gambling, and I

was addicted to her." At times, Fran says, she would stash credit cards in her panties so he would not see them. After a gambling binge, she says, "I would vomit and have anxiety attacks. I would wonder where I was going to get the money. But nothing would stop me from going."

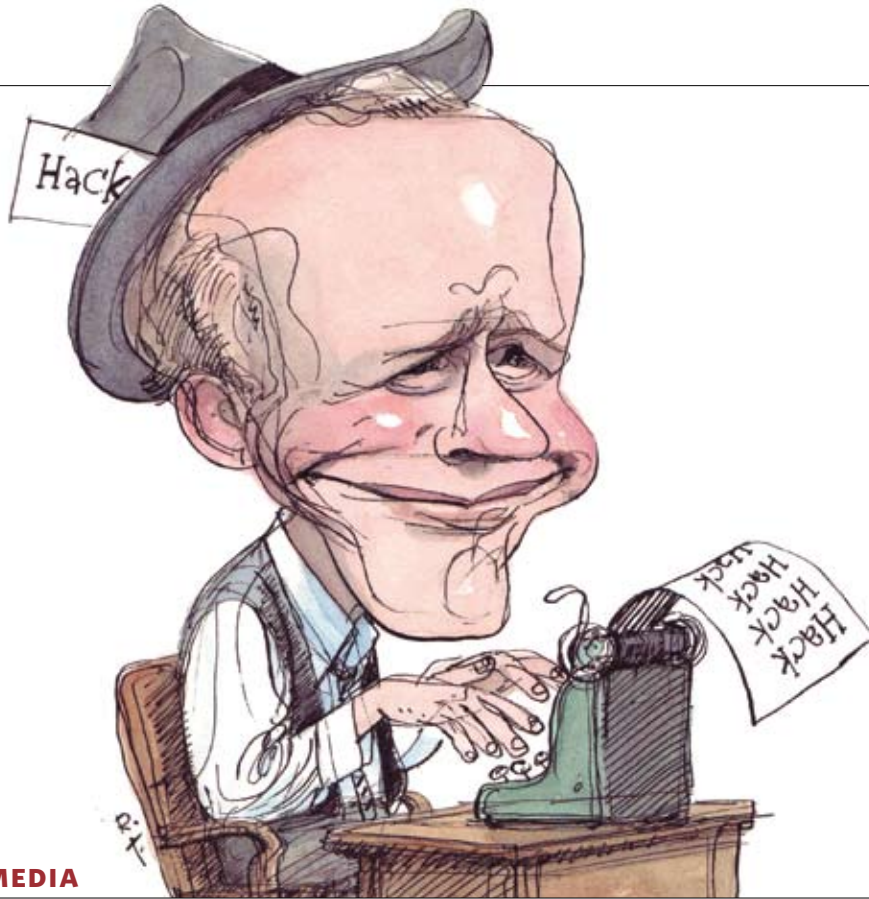
Late in the evening at the Frys' condo, Fran places on the table a casino coupon: "\$25, valid 12/16/07–12/31/07. Free Snowman Cookie Jar and Plate Set." She lights another Marlboro. "They do not do anything to help the compulsive gambler and neither does the government because they're making a profit," she says. "It's sick."

Michael glances at the coupon. "What's sick is we're all buying into it." **TAP**

Culture & Books

"Did second-generation neocons such as Irving Kristol's son Bill—baby boomers who never made any left-to-right voyage—even warrant the moniker?"

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MEDIA

ACCOUNTING FOR KRISTOL

When The New York Times hired Bill Kristol as an op-ed columnist, its readers' sensibilities and interests didn't matter a damn.

BY ERIC ALTERMAN

PRETEND FOR A MOMENT YOU'RE a close friend of *New York Times* publisher Arthur Sulzberger Jr. The two of you are finishing off a nice dinner at say, the Century Club, about to reach for the cognac tray, when Arthur mentions that he's got a decision to make and he'd like to ask your advice. He wants to add a strong conservative voice to the *Times* op-ed page, and its editor, Andrew Rosenthal, has given him a list of 25 columnists for consideration.

Arthur says he's set on Bill Kristol. He's remembering how infuriated people were when his father offered a job to

Nixon hack William Safire, who eventually turned out to be one of the great pundit-reporters of the past 30 years. He thinks Kristol, a neoconservative boy prince, former staffer for Dan Quayle, Republican Party strategist, and guiding spirit behind *The Weekly Standard*, might be a bold choice that could distinguish his tenure as publisher just as the former Nixon flack did his father's. Arthur wants to know what you think.

You promise to have a memo listing the pros and cons ready for your friend first thing Monday morning. Here's what you come up with:

Pros:

■ Rupert Murdoch overpaid for *The Wall Street Journal* in part to dethrone the *Times* as the primary print conduit to America's taste and opinion-makers. Hiring Kristol, who works for Murdoch both as editor of *The Weekly Standard* and a commentator on Fox News, would undercut one of the Australian media magnate's most recognizable "brands."

■ David Brooks is the paper's only dependably conservative pundit on the page these days and is no longer considered 100 percent reliable by his ideological comrades, as he sometimes allows reality to take precedence over partisan interests. Kristol, however, remains reliably right-wing and Republican; reality be damned. He not only continues to defend the invasion of Iraq as a good idea—which Brooks does not—he wants to invade Iran and Syria, and possibly Lebanon. No question about it; when it comes to neocon warmongers, Kristol is the Mona Lisa, the Tower of Pisa ...

■ You guys attended grammar school together, and I hear, politics aside, Kristol's a nice enough fellow.

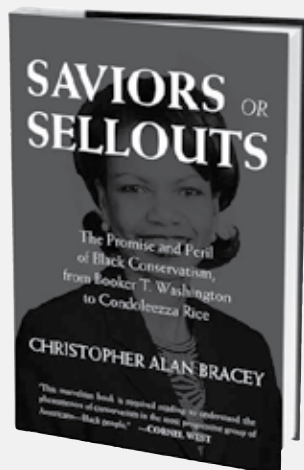
■ Andy Rosenthal's dad and Kristol's dad used to be regular lunch pals, too.

■ Kristol promises not to use his column to attack the paper, and since he's been a columnist before, we can assume he'll get his copy in on time.

Cons:

■ Well, from the standpoint of empirical accuracy, the choice is rather difficult to justify. To be honest, based on his predictions about the Iraq War, Kristol may be the worst pundit on earth. You'll recall, for instance, before the war when he said, "We can remove Saddam because that could start a chain reaction in the Arab world that would be very healthy," and "Very few wars in American history were prepared better or more thoroughly

"Required reading for all who want to understand the phenomenon of conservatism in the most progressive group of Americans—Black people."
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than this one by this president." Believe me, I could go on.

■ In addition to being wrong, Kristol is also a vicious McCarthyite toward those with whom he disagrees, and among his prime targets has been, um, *The New York Times*. Remember, for instance, when he called the editorial board "leftists" who "hate George W. Bush so much they can barely bring themselves to hope America wins the war. ... They hate conservatives with a passion that seems to burn brighter than their love of America."

■ He also thinks it reasonable that you, Arthur, should be tossed in the slammer for the crime of journalism. Remember when he said, "I think it is an open question whether the *Times* itself should be prosecuted for this totally gratuitous revealing of an ongoing secret classified program that is part of the war on terror," and "I think the Justice Department has an obligation to consider prosecution"? (He added, by the way, that the paper was "irredeemable.")

■ All this might remind you that, unlike Brooks, not only has Kristol never been a journalist, he evinces nothing but contempt for the profession and its role in the safeguarding of democracy. Sure, Safire was no journalist at first, either, but he certainly became one. Kristol, alas, not so much. (If his column in *Time* magazine for the past year is any indication, he will likely just phone in Republican talking points.)

■ What's more, you'll have to throw out your own rulebook to hire him. As it stands now, none of your other columnists are allowed to keep a full-time publishing job outside the *Times* and none are allowed to be on the boards of partisan think tanks. Allowing Kristol to do so is going to make you look desperate and a little pathetic, just in case all of the above hasn't done so already.

■ Come to think of it, those other jobs involve working for Rupert Murdoch, who may be evil but who's no dummy. Perhaps you need to ask yourself: Why does Murdoch, who wants to take you down, want Kristol working for you? Could it be that if he quits after a year and goes to the *Journal*, you will have created an enormous publicity coup for them?

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WELL, WE ALL KNOW HOW THE STORY ends. But the question remains for those of us who continue to feel invested in America's most important newspaper: What is the meaning of this decision? How, given all of the above, did the "pro" side of the ledger somehow come to outweigh the "con," and what does it mean for the future of the paper and the future of journalism?

Alas, we are likely to never get a straight answer from Arthur Sulzberger, who recently ensured that his personal papers

that Kristol embarrassed both himself and his paper with his very first column. He misattributed a quotation from one right-wing pundit to another with the same initials. But the merits of Kristol's columns for the *Times* are actually trivial when weighing the larger implications of the decision itself. Remember, Kristol is not merely a conservative, he's a McCarthyite. He's not merely critical of the so-called "liberal" media, he equates honest journalism with treason. Why, when the *Times* could have chosen any

the natural community of *Times* readers.

The *Times*' readership is special, and it treats its newspaper that way—taking it personally, for instance, when the paper allowed itself to be bamboozled by the neocons on Iraq, and then when the publisher, unaccountably, stood behind the primary bamboozler, Judith Miller, when she went to jail in order to protect her administration sources. The paper let Miller go and claimed to have learned its lesson, but its willingness to invite Kristol to continue her mission on the op-ed page indicates the opposite. Now that the storm has passed, the paper is returning to business as usual. Administration liars and their apologists are treated on equal terms with those who risk their careers and livelihoods to tell the truth.

My guess is that most readers of *The New York Times* take Kristol's disgraceful accusations against their newspaper far more seriously than do Sulzberger and Rosenthal. (And I hear 699 or so letter writers agree.) Readers understand this hiring to be a message that their concerns are, shall we say, immaterial. As a former close friend of the publisher's told me, it was as if Sulzberger and Rosenthal were saying, "*The New York Times* isn't yours; it's ours, [and] we'll tell you what's good for you."

In an especially eloquent New Years Eve editorial decrying the various crimes by the Bush administration, the editors wrote of what they termed their "sorrowful sense of estrangement" from a country that, at times, they could no longer recognize. No doubt it is too grandiose to compare one's daily newspaper to one's country, much less the hiring of a discredited propagandist to the infliction of torture on innocents. But *Times* readers may have felt a twinge of something quite similar from the paper they will likely no longer think of as their own. In an age where information itself is free and available everywhere, that's an awfully perilous business plan. **TAP**

Nation media columnist **Eric Alterman** is a CUNY professor of journalism, senior fellow at the Center for American Progress, and "Altercation" blogger for *Media Matters*.

It's as if Sulzberger and Rosenthal were saying, "The New York Times is ours, [and] we'll tell you what's good for you."

will be kept under wraps until 2057, and who rarely makes himself available to unstructured questioning from reporters. Editorial Page Editor Andrew Rosenthal, speaking to *Politico*, dismissed all criticism of this "serious, respected conservative intellectual" as "intolerant," "absurd," and indicative of a "weird fear of opposing views." Despite post-Jayson Blair promises of greater transparency, the *Times* itself offered no new coverage of the controversy, and none of Kristol's colleagues on the page apparently thought it wise to weigh in, either.

The only discussion of the decision available to *Times* readers could be found in Public Editor Clark Hoyt's weekly column. Hoyt, who is not answerable to the executive editor or the publisher, did question both Rosenthal and Sulzberger about the decision and explained to readers in his column on Kristol that he personally believed it to be a mistake, albeit a minor one. Unfortunately, however, Hoyt took the opportunity to mock virtually everyone who objected. Noting that he had received roughly 700 messages—only one of which was favorable—about Kristol's hiring, Hoyt excerpted just two of these, each one apparently picked to portray objectors as simultaneously ridiculous and unhinged.

As one of Kristol's many liberal critics who does not fit Hoyt's portrayal, I'm tempted to point out rather gleefully

conservative columnist in America, did it feel compelled to pick him?

The answer is that the *Times*' real list of "pros" for choosing Kristol had nothing to do with journalism, and even less to do with its loyal readership. Sulzberger had every right to believe that the predictable fury caused by naming Kristol would actually prove a plus. It would earn the paper a great deal of furious argument in the blogosphere, which would, in turn, attract readers, particularly conservative readers, and hence advertisers. This would thereby improve the paper's balance sheet following the failure of "TimeSelect." It would also put a dent in the paper's reputation as an organ incurably "liberal," which many *Times* salespeople consider to be a drag in the world of corporate advertising.

But in an age when the traditional audiences for daily newspapers are disappearing more quickly than Greenland's glaciers, such thinking will likely turn out to be a grievous mistake. Successful media enterprises are reinventing themselves online as communities of shared concern, and the *Times* has taken steps in this direction, creating numerous blogs, offering chat opportunities, and sponsoring festivals and other means of reader participation. But by choosing Kristol, and then refusing to take the criticism seriously, Sulzberger and company are demonstrating their lack of concern for the deeply held values of

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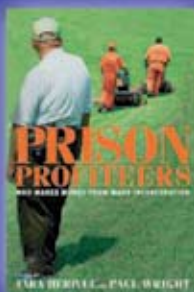
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ZEALOTS OF OUR TIME

THEY KNEW THEY WERE RIGHT: THE RISE OF THE NEOCONS

BY JACOB HEILBRUNN, Doubleday, 320 pages, \$26.00

BY DAVID GREENBERG

NOT LONG AGO THE TERM “NEO-conservative” seemed ripe for retirement. The label was originally applied in the 1960s and 1970s to the ex-liberals (themselves ex-socialists) who turned halfway to the right after becoming disenchanted with the Great Society, left-wing politics, and the Democrats’ post-Vietnam isolationism. Under Ronald Reagan, however, the neocons kept moving right and joined in a broad right-wing consensus, and by the 1990s it became hard to tell them apart from other Republicans. Did second-generation neocons such as Irving Kristol’s son Bill—baby boomers who never made any left-to-right voyage—even warrant the moniker? The younger Kristol said he was “just a conservative.”

Despite some tensions that surfaced during George Bush Sr.’s presidency, Reagan’s conservative coalition cohered, more or less, until midway through the current administration. Only with the failures of Bush II and the Iraq War has the concept of neoconservatism gained new life and new meaning, at least on foreign policy (on domestic issues the neocons now can hardly be distinguished from other Republicans). On one side, the neocons’ zeal for the war has earned them seething hatred (occasionally tinged with anti-Semitism) from the anti-war left, as younger bloggers, indifferent to the label’s precise meaning, sling it as an all-purpose epithet. On the other side, the Republican crack-up has resurrected old internecine splits on the right—Wall Street versus Main Street, isolationist versus neo-imperialist, and paleocon versus neocon—with the neocons often being blamed for the right’s disarray.

The revival of neoconservatism as a discrete ideology justifies the publication of *They Knew They Were Right*, journalist Jacob Heilbrunn’s addition to the heavy

shelf of histories of this influential and controversial clique. A first generation of books, such as Peter Steinfels’ *The Neo-conservatives* (1979), surveyed the incipient movement and defined its contours. Another wave, including John Ehrman’s *Rise of Neoconservatism* (1995), began to consider it with some historical perspective. Heilbrunn’s updating reminds us that the story of neoconservatism is still evolving and past obituaries have been premature.

Breezy, riddled with nuggets gleaned from interviews, and laced with sharp and often personal judgments, *They Knew They Were Right* seeks to explain the relationship between neoconservatism and Bush’s foreign policy. Although Heilbrunn clearly enjoys indulging his taste for invective, and although his own apparently moderate, realist politics makes him on balance critical of the neocons, he strives hard to seem fair and to make his book a history more than a polemic.

The book’s early chapters provide a familiar narrative of neoconservatism’s roots in an older (but overlapping) cohort of thinkers, the so-called New York Intellectuals. Those famously bold, wide-ranging, and mainly (though hardly exclusively) Jewish writers began their careers in the 1930s and 1940s publishing political and cultural criticism in *Partisan Review* and other little magazines. At midcentury, severing their former commitments to the Marxist left, they helped define a robust liberal anti-Communism. By the 1960s, a sizable number of them—including Kristol and his wife Gertrude Himmelfarb, Norman Podhoretz and his wife Midge Decter, the philosopher Sidney Hook, the sociologist Nathan Glazer, and others in the same social and intellectual orbit—began to fashion a critique of the era’s dominant

liberalism. In *The Public Interest*, which Kristol co-founded with Daniel Bell, and *Commentary*, which Podhoretz edited, they deployed the New York Intellectuals' piercing polemical style in dissecting social welfare policy, cultural politics, and campus conflict.

For a time, the neocons didn't focus much on foreign policy. But the Vietnam War and the 1967 and 1973 Arab-Israeli wars sharpened their suspicions of the left—and of the mainstream Democratic Party liberalism that they believed overindulged the left. On Vietnam, neocons bemoaned the new aversion to military power, the abandonment of an ally in the fight against communism, and the left's open cynicism about U.S. motives, which the neoconservatives called anti-Americanism. On Israel, neocons feared the left's waning support for the embattled Jewish state after its occupation of lands won from Egypt and Jordan. Seared by memories of the Holocaust, they deemed Israel's survival to be vital on several counts: as a pro-U.S. bulwark in a Soviet-dominated region, as a model of liberal democracy, and (especially for those who were Jewish) as a homeland for their historically dispossessed people.

The Democrats' nomination of South Dakota senator George McGovern for president in 1972 galvanized some of the neocons to support Richard M. Nixon—a man most liberals couldn't have endorsed even if Fidel Castro had been the Democratic standard-bearer. But as Heilbrunn writes, "If there was one Democrat whom the neoconservatives despised, it was McGovern. It was he who babbled about making the United Nations the arbiter of the Israeli-Palestinian conflict. It was he who wanted to retreat from Vietnam. It was he who epitomized the postures of defeatism and withdrawal from the world." Following McGovern's rout, leading neocons founded the Coalition for a Democratic Majority, devoted to returning the party to the tradition of internationalism shaped by politicians from Franklin Roosevelt to Hubert Humphrey. And they enlisted in the cause aides to more hawkish Democratic officeholders such as Humphrey (for

whom Jeane Kirkpatrick worked) and Henry "Scoop" Jackson (who employed Richard Perle).

His eye ever on the present, Heilbrunn observes that "this was the first of what would become perennial calls to exhume the great tradition of cold war liberalism." But Heilbrunn adds that such calls have become "pointless"—a

Carter would award them some key foreign policy jobs. Carter's talk of human rights and morality in foreign policy resonated with many neocons who had endorsed Nixon and Henry Kissinger's Vietnam policy but looked askance at their realpolitik and embrace of détente. Carter, however, shut the neocons out from any significant role in his adminis-

Some anti-neocon rhetoric makes it seem as if "neo" is a synonym for "ultra." But neocons were long clearly to the left of the average Republican.



When Neo Was New: Irving Kristol, father of the movement, at his desk circa 1976

startling rejection of this tradition that both contradicts his own politics and minimizes the important battle over foreign policy now under way within the Democratic Party. At times Heilbrunn has nastier words for liberal internationalists—especially those who backed the Iraq War, particularly from the pages of his former employer, *The New Republic*—than he does for the neocons themselves. Yet he rightly insists on maintaining a bright line between the neocons and the liberal hawks, who are still loyal Democrats, still progressive on domestic issues, and much more respectful of international law and opinion than are their Republican counterparts.

Back in 1972, the neocons weren't yet identified with the Republican Party, nor would they be for several years. Heilbrunn describes a pivotal moment in 1976 when many hoped that Jimmy

tration, a personal slight and ideological choice that drove them toward the GOP. Soon Carter would displace McGovern, Heilbrunn writes, as "the central figure in neoconservative demonology."

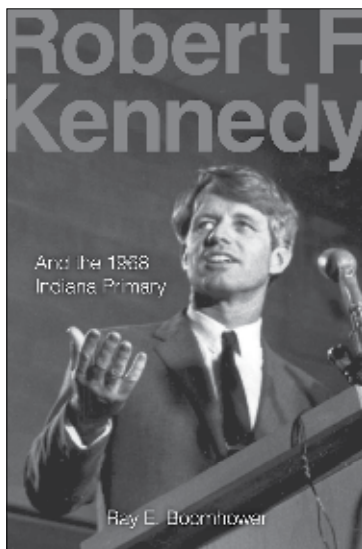
The neocons' onetime attachments to the Democratic Party are important to recall today, because the more shrill anti-neocon rhetoric sometimes makes it seem as if "neo" is a synonym for "ultra." On the contrary, neoconservatives for a long time occupied a place on the spectrum clearly to the left of the average Republican. But as the neocons moved into the Republican camp, they didn't clash with the old hard right; their anti-Soviet ardor was equal to that of the *National Review* crowd. Instead, their rivals within their new GOP home were the realists, with their disdain for democratic values as guiding considerations in foreign policy.

Analysts often describe this divide as one between realists and idealists, with the idealist group encompassing the neocons. But that characterization has always been inadequate. In *The Rise of The Vulcans* (2004), the journalist James Mann proposed a more useful distinction. In his scheme, Henry Kissinger and Richard Nixon were declinists, who believed they had to manage America's slide from dominance to co-existence in a multipolar world. Opposing them were optimists about the nation's potential for long-term global leadership—a group that encompassed not just the neocons but also Dick Cheney and Donald Rumsfeld, veterans of the Nixon and Ford adminis-

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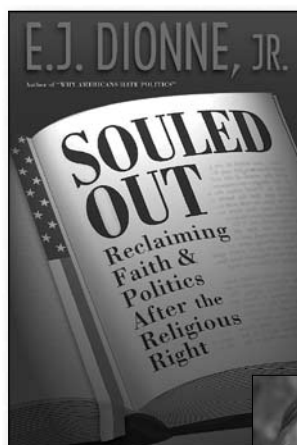
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trations. These Kissinger critics believed that Vietnam had induced a debilitating fear among the public and policy-makers about using military force.

Heilbrunn hews more closely than Mann to the realist-versus-idealist scheme. But he too recognizes the problems of the dichotomy. His most insightful piece of historical analysis may be his treatment of a fissure that opened up *within* neocon ranks in the 1980s between what he calls a Podhoretz wing and a Kristol wing of foreign-policy thought. The Podhoretz faction maintained an idealism about human rights and denounced the left as indifferent to rights violations in the Soviet Union and other communist regimes. Within the Reagan administration, Elliot Abrams—Podhoretz's son-in-law, most famous for his role in the Iran-contra scandal, which earned him a criminal conviction (and pardon from Bush Sr.)—tried to redefine anti-communism as a human-rights policy. In this view, the right-wing forces in Central America whom Reagan was aiding were true "freedom fighters."

But this view didn't convince all the neocons. Many deeply distrusted any talk about morality and democracy promotion in foreign policy. Irving Kristol scorned the burgeoning human-rights movement as an extension of the left's knee-jerk concern with the oppressed, and Jeane Kirkpatrick painted the democratization efforts then gaining favor as a recipe for undermining U.S. allies. In 1985 Kristol founded *The National Interest*, which aimed to elaborate a realist foreign-policy ideology to complement the "realist" view of the welfare state espoused in *The Public Interest*.

This rift within neoconservatism sheds light on some of the riddles of the current Bush administration. For despite the efforts to brand the Iraq War as a neocon enterprise, not one of the half dozen administration leaders most responsible for it—George W. Bush, Dick Cheney, Donald Rumsfeld, Colin Powell, Condoleezza Rice, and George Tenet—fits the neocon profile. And if second-generation neocons such as Paul Wolfowitz and Douglas Feith pushed and helped design the war, their emphasis on

democratization was at first just one of many reasons used to justify the invasion. Only afterward did it emerge as a central goal of the Bush administration.

Indeed, given that almost all conservatives, not just neocons, favored the war at the outset, an analysis of the origins of the Iraq War has to explain not what has set the neocons apart from their conservative brethren but what bound them together. September 11 united various blocs within the Republican Party (as well as many other Americans) behind an aggressive nationalistic militarism that, despite the passing of communism, closely resembled Reagan's. Contemptuous of constraints from the United Nations and other international organizations, it was nationalist, not internationalist. While suffused by a rhetoric of rights and values, it stubbornly championed American self-interest. And marked by a stance of toughness, it sought both to face down foreign enemies and to summon a sentimental patriotism among a newly vulnerable and uneasy public.

That broad unity, more than quirky neocon evangelism, explains how we got into Iraq. Of course, now that the public has soured on the war, the old conflicts have again come into sharp relief. Realists, paleocons, and even many mainstream Republicans have turned against Bush and the war. But as Heilbrunn notes, it would be wrong to assume that the neoconservative outlook has been discredited on the right. If Bush has turned realist in some aspects of his policy (such as with North Korea), the neocon influence remains tenacious, and commonalities among conservative factions can still override tensions—a point Heilbrunn rams home at the book's end by describing Norman Podhoretz planting a kiss on Kissinger at a *Commentary* gala. It may simply be, at this point, too soon to write the history of neoconservatism, the Bush administration, and the Iraq War. **TAP**

David Greenberg, a professor of journalism and media studies and of history at Rutgers University, is the author of Nixon's Shadow and Calvin Coolidge.

BOOKS

POWER GRAB

TAKEOVER: THE RETURN OF THE IMPERIAL PRESIDENCY AND THE SUBVERSION OF AMERICAN DEMOCRACY BY CHARLIE SAVAGE

Little, Brown and Company, 400 pages, \$25.99

THE TERROR PRESIDENCY: LAW AND JUDGMENT INSIDE THE BUSH ADMINISTRATION BY JACK GOLDSMITH, W.W. Norton, 256 pages, \$25.95

BY TARA MCKELVEY

IF PURITY OF THE HEART IS TO WILL one thing, as Kierkegaard believed, then Dick Cheney, his chief of staff David Addington, and law professor John Yoo are like the driven snow. These men have worked for years toward a singular goal: expanding the power of the presidency. And they have done so with remarkable success, though the long-term implications may be dangerous to America's constitutional system and role in the world. The strengthening of the executive branch has meant, among other things, that international law regarding interrogations and the treatment of detainees has been set aside and a new set of rules has been put in place. The new policy, with its harsher stance toward terrorism suspects, has alienated our allies in Europe and contributed to the decline of the image of the United States abroad.

In *Takeover*, Charlie Savage, a Pulitzer Prize-winning reporter for *The Boston Globe*, provides a journalistic account of the rise of presidential power, examining the various steps by current and past administration officials to consolidate decision making in the executive branch. Though there is nothing particularly new in his book, Savage does a respectable job of pulling together disparate material and showing how the details fit into a larger picture. In *The Terror Presidency*—a memoir from one of the key players inside the Bush administration—Jack Goldsmith, now a professor at Harvard Law School, sheds light on critical internal legal debates regarding detainees that were previously unknown to the public. Though a lesser work in terms of its literary style and narrative structure,

Goldsmith's book is more interesting than Savage's because of what it reveals, at times unintentionally, about the inner workings of the administration.

In his carefully researched, not-always-gripping story, Savage tracks the efforts under Bush to develop "policies that systematically loosened the legal force of statutes and treaties that bound a president's hands." Organized thematically, *Takeover's* chapters deal successively with such subjects as "Secrecy," "Treaties," and the "Supreme Court." Savage also charts a course through the theory of the unitary executive, which relies on a creative interpretation of Alexander Hamilton's *Federalist 70* and provides the ideological underpinnings of the "presidentialist" movement, as well as the gritty, roll-up-your-sleeves work of lawyers who plow through hundreds of pages of new legislation, searching for language constraining executive authority so they can draft signing statements to nullify the limits.

The red-hot center of the movement is located in a relatively obscure agency at the Department of Justice, the Office of Legal Counsel, which provides legal advice to the president. In recent years, a group of impeccably credentialed lawyers—including Yoo and Patrick Philbin, as well as Goldsmith—got together with Addington and other officials to discuss counterterrorism issues and administration policy. Though there was friction among them, they all supported stronger executive power.

Shortly after being hired in October 2003, Goldsmith disagreed with Addington's position on the status of some terrorism suspects in Iraq. (Addington said they were not protected by the Geneva

Conventions, while Goldsmith said they were.) This dissent “enraged” Addington, writes Savage, but Goldsmith was undeterred. He eventually found fault with a number of legal opinions written before he joined the Office of Legal Counsel, including Yoo’s infamous “torture memo” of Aug. 1, 2002, which narrows the definition of torture. Goldsmith believed that this and other legal opinions exceeded the boundaries of the law, and he tried to correct things, working long hours “when he had young children at home.”

In Savage’s account, Goldsmith comes off as a hero. Yet his resistance was

tration officials, posed a threat to them.

And this is essentially what the book is about: the efforts of conservative thinkers, including Goldsmith, to examine whether or not aggressive counterterrorism policies fall within the limits of the law during a time of “pressure and uncertainty.” One of the biggest crises occurred in April 2004 when the Abu Ghraib photographs were released—a scandal that Goldsmith himself might have helped to avoid. In November 2003, Goldsmith says, he came across the “torture memo” but for months did not “have the time or the resources to devote to the problem.”

Goldsmith believed that the “torture memo” and other legal opinions exceeded the bounds of the law, but his resistance was muted, long-delayed, and ineffective.

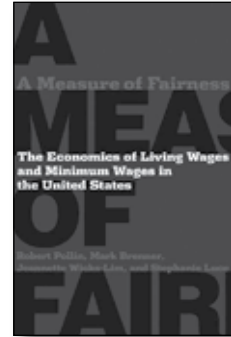
muted, long-delayed (he did not start working on a revision of the “torture memo” until months after he started his job), and ineffective (a new version of the memo was finally issued on Dec. 30, 2004, writes Savage, with a footnote “declaring that everything the CIA and military had been doing under the old memo was still legal”). Moreover, the personal consequences for Goldsmith seem, well, not quite *Profiles in Courage* material, as he left the Justice Department for tenure at Harvard.

In his own book, Goldsmith tells the inside story, providing a detailed account of the nine and a half months he served as head of the Office of Legal Counsel in 2003 and 2004. It was, he tells us, a scary place. Many of his colleagues were often on edge, perhaps because they had access to a daily “threat matrix,” dozens of pages that listed potential terrorist attacks. It was “like being stuck in a room listening to loud Led Zeppelin music,” explains Jim Baker, former head of the Office of Intelligence Policy and Review. Terrorist threats were not the only reason it was a tense environment. Officials were also dealing with hostile forces in their backyard—that is, in the press and “the human rights industry”—which had gone after Henry Kissinger for war crimes and, in the eyes of Bush adminis-

So he did nothing. Unfortunately, many of the Abu Ghraib photographs were taken after he saw the memo, including one of a Belgian shepherd menacing a detainee and another showing a prisoner naked and bleeding in a hallway. “This is going to kill us,” Gonzales “quietly muttered” when he saw the photographs.

The Terror Presidency is an odd book, covering subjects such as torture and “alternative” interrogation procedures in a detached manner. Goldsmith has an earnest literary style, sounding at times like a high school senior working on a college application (“This book is about what I learned in my short time as the head of the OLC,” he writes, “and what my reflections have taught me”), and his book is nearly emotion-free, despite the highly charged subject matter. His stoicism falters once, briefly, during a visit to a Norfolk brig when he sees a terrorism suspect “crouched in a fetal position” in a corner of a cell and thinks, “This is what *habeas corpus* is for.” He is “embarrassed at the squishy sentiment,” though, and shrugs it off. Certain people in the administration are considered “wimps,” as Goldsmith says. In the Army, they are told to suck it up and drive on, and this is what he does—time and again. If he had stopped to think, he might have written a better book. **TAP**

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Going Nowhere Fast

BY THOMAS GEOGHEGAN

TO GET AMERICA BACK ON THE RIGHT ROAD, I WISH Henry Clay's Whig Party might come back and fix the roads again. Today, we need the "internal improvements" that the Whigs promoted every bit as much as we did in the 1830s and 1840s, when Whig-controlled

governments built roadways and canals.

In *The History of the United States During the Administrations of Jefferson and Madison*, Henry Adams makes a fuss about the roads and the rails. For Adams, America only truly became "united" as it became easier to get from place to place, from Boston to New York.

Now it's getting harder. Every week, it seems, it's taking another minute or so to get from point A to point B. Each year it's harder to get from Chicago to St. Louis or Detroit. There's no high-speed rail. It takes longer to get to the airport. In Chicago, it can now take me an hour and a half to get out to O'Hare. It's 35 minutes by bus on Addison Street, and then it's an hour on the El. The Blue Line is broken down for lack of funds and moves 10 mph in the "slow" zones. A fifth of the track is now made up of "slow" zones.

It's not just city to city but home to store. As I write at home this Saturday, it's semi-gridlock for two miles in all directions. For five minutes at a time, no one's moving. The cars pile up for blocks. Every Saturday, even in July, I might as well be snowbound. I can't get out.

I live roughly four miles from my office. If I'm lucky, it only takes me 50 minutes by mass transit to get to work.

The point is we're trapped. We can't move.

America is disuniting. Compare the U.S. to the European Union. Over there, thanks to Eurostar (the high-speed rail system), easy transit to the airports,

and Ryanair, Europeans have more geographic mobility than we do. Eurostar is more important to European unity than adopting a new EU constitution.

Europeans are voting in a new constitution with their feet. It's getting easier to get from Dublin to Madrid, where Irish kids commute to do start ups. Over there, from Paris up to Brussels, I puff along on air. Over here, on our dilapidated rails, I have to jolt along, in effect, by stage coach.

It seems obvious that we should invest in high-speed rail and mass transit, but we don't. "Certainly," a friend, a business journalist, told me, "we've got the capital here to do something." But how? As Louis Uchitelle reported in *The New York Times* a few weeks ago, in a global economy the big U.S. businesses have no stake in shoring up the local infrastructure, either with taxes or their own capital. In New Haven, he noted, the only big business that cares about sweeping the streets is Yale, which isn't going anywhere.

And our government is just about to

flare off even more of the tax base in a one-time "stimulus" so people can buy more cars. The more we "stimulate" private spending, the faster the public infrastructure collapses. The harder it becomes even to get to the malls to spend.

As readers know, this magazine has been calling for internal improvements, from, it seems, the time of Henry Clay. The longer *The American Prospect* publishes, the harder it is just to get to the store. Here's the 2005 U.S. infrastructure report card from the American Society of Civil Engineers: aviation D+, bridges C, drinking water D-, rails C-, roads D, school buildings D.

So if there's no U.S. private capital, and no U.S. public capital, what's the answer to this U.S. problem? My thought: some way to link this to Kyoto and the sovereign wealth funds. At least

the SWFs have the capital to spare. With federal guarantees, they might be willing to take a very modest rate of return and park their money in high-speed rail rather than in hedge funds. It seems a better bet right now, or it would be with the right guarantees.

But China, our \$1.4 trillion creditor, should get something more. If it puts its money in high-speed rail or mass transit lines, it should get some kind of Kyoto credit, too. If China or any other SWF helps unite us Americans as a nation and lowers our carbon footprint, it should get some right to run its filthy plants. It's an inconvenient truth that China and other creditors have the capital to keep America from

disuniting. Let's hope China, just as it once lent us the labor to help build our railroads, lends us the bankers to bring the railroads back. **TAP**



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